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PART-VII

GOVERNMENT OF MEGHALAYA ORDERS BY THE GOVERNOR

NOTIFICATIONS

The 9th October, 2015

No.LL(B)75/2015/34.—The following Acts passed by the Parliament and assented by the President of India and published in the Gazette of India, Extra-Ordinary, Part II, Section I on the date indicated below is hereby republished for general information.

Sl. No.	Name of Act	Act No. & Year	Date of publication in the Gazette of India
6.	The Finance Act, 2015	Act No. 20 of 2015	14. 03. 2015
7.	The Black Money (Undisclosed Foreign Income and Assets) Imposition of Tax Act, 2015	Act No. 22 of 2015	27. 05. 2015
8.	The Constitution (One Hundred Amendment) Act, 2015	-	29. 05. 2015

THE FINANCE ACT, 2015

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THE FINANCE ACT, 2015

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year 2015-2016.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 2015.

Short title and
commencement.

(2) Save as otherwise provided in this Act, sections 2 to 79 shall be deemed to have come into force on the 1st day of April, 2015.

CHAPTER II

RATES OF INCOME-TAX

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2015, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in each case in the manner provided therein.

Income-tax.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh fifty thousand rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be calculated as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be:

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Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule:

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act,

or co-operative society or firm or local authority, at the rate of ten per cent. of such income-tax, where the total income exceeds one crore rupees;

(b) in the case of every domestic company,—

(i) at the rate of five per cent. of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of ten per cent. of such income-tax, where the total income exceeds ten crore rupees;

(c) in the case of every company, other than a domestic company,—

(i) at the rate of two per cent. of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such income-tax, where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a), having total income chargeable to tax under section 115JC of the Income-tax Act and such income exceeds one crore rupees, the total amount payable as income-tax on such income and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(4) In cases in which tax has to be charged and paid under section 115-O or section 115QA or sub-section (2) of section 115R or section 115TA of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for purposes of the Union, calculated at the rate of twelve per cent. of such tax.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D, 194LBA and 195 of the Income-tax Act, at the rates in force, the deductions shall be made at the rates specified in Part II of the First Schedule and shall be increased by a surcharge, for purposes of the Union, calculated in cases wherever prescribed, in the manner provided therein.

(6) In cases in which tax has to be deducted under sections 192A, 194C, 194DA, 194E, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194J, 194LA, 194LB, 194LBA, 194LBB, 194LC, 194LD, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(b) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

(7) In cases in which tax has to be collected under the proviso to section 194B of the Income-tax Act, the collection shall be made at the rates specified in Part II of the First Schedule, and shall be increased by a surcharge, for purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

(8) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees;

(b) in the case of every company, other than a domestic company, calculated—

(i) at the rate of two per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds ten crore rupees.

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from, or paid on, income chargeable under the head “Salaries” under section 192 of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” shall be so charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in such cases and in such manner as provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, “advance tax” shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that the amount of “advance tax” computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule:

Provided also that in respect of any income chargeable to tax under sections 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB and 115JC of the Income-tax Act, “advance tax” computed under the first proviso shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm or local authority, calculated at the rate of twelve per cent. of such “advance tax”, where the total income exceeds one crore rupees;

(b) in the case of every domestic company, calculated,—

(i) at the rate of seven per cent. of such “advance tax”, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of twelve per cent. of such “advance tax”, where the total income exceeds ten crore rupees;

(c) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such “advance tax”, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such “advance tax”, where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a) above, having total income chargeable to tax under section 115JC of the Income-tax Act and such income exceeds one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the total amount payable as “advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(10) In cases to which Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds two lakh fifty thousand rupees, then, in charging income-tax under sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or in computing the “advance tax” payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging or computing such income-tax or, as the case may be, “advance tax” in respect of the total income; and

(b) such income-tax or, as the case may be, “advance tax” shall be so charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or “advance tax” shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax or “advance tax” shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income were the total income;

(iii) the amount of income-tax or “advance tax” determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, “advance tax” determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax or, as the case may be, “advance tax” in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted:

Provided also that the amount of income-tax or “advance tax” so arrived at, shall be increased by a surcharge for purposes of the Union calculated in each case, in the manner provided therein.

(11) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for purposes of the Union, to be called the “Education Cess on income-tax”, calculated at the rate of two per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance universalised quality basic education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(12) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall also be increased by an additional surcharge, for purposes of the Union, to be called the “Secondary and Higher Education Cess on income-tax”, calculated at the rate of one per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance secondary and higher education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(13) For the purposes of this section and the First Schedule,—

(a) “domestic company” means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2015, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(b) “insurance commission” means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(c) “net agricultural income”, in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(d) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

3. In section 2 of the Income-tax Act, with effect from the 1st day of April, 2016,—

Amendment of
section 2.

(a) for clause (13A), the following clause shall be substituted, namely:—

“(13A) “business trust” means a trust registered as,—

(i) an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992; or

(ii) a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, and

the units of which are required to be listed on recognised stock exchange in accordance with the aforesaid regulations;”;

(b) in clause (15),—

(i) after the word “education,”, the word “yoga,” shall be inserted;

(ii) for the first and the second provisos, the following proviso shall be substituted, namely:—

“Provided that the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity, unless—

(i) such activity is undertaken in the course of actual carrying out of such advancement of any other object of general public utility; and

(ii) the aggregate receipts from such activity or activities during the previous year, do not exceed twenty per cent. of the total receipts, of the trust or institution undertaking such activity or activities, of that previous year;”;

(c) in clause (24), after sub-clause (xvii), the following sub-clause shall be inserted, namely:—

“(xviii) assistance in the form of a subsidy or grant or cash incentive or duty drawback or waiver or concession or reimbursement (by whatever name called) by the Central Government or a State Government or any authority or body or agency in cash or kind to the assessee other than the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset in accordance with the provisions of *Explanation* 10 to clause (1) of section 43;”;

(d) in clause (37A), in sub-clause (iii), after the words “for the purposes of deduction of tax under”, the words, figures and letters “section 194LBA or” shall be inserted;

“(e) in clause (42A), in the *Explanation* 1, in clause (i), after sub-clause (hc), the following sub-clauses shall be inserted, namely:—

“(hd) in the case of a capital asset, being a unit or units, which becomes the property of the assessee in consideration of a transfer referred to in clause (xviii) of section 47, there shall be included the period for which the unit or units in the consolidating scheme of the mutual fund were held by the assessee;

15 of 1992.

15 of 1992.

(he) in the case of a capital asset, being share or shares of a company, which is acquired by the non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the period shall be reckoned from the date on which a request for such redemption was made;”.

Amendment
of section 6.

4. In section 6 of the Income-tax Act,—

(i) in clause (1), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

“*Explanation 2.*—For the purposes of this clause, in the case of an individual, being a citizen of India and a member of the crew of a foreign bound ship leaving India, the period or periods of stay in India shall, in respect of such voyage, be determined in the manner and subject to such conditions as may be prescribed.”;

(ii) for clause (3), the following clause shall be substituted with effect from the 1st day of April, 2016, namely:—

“(3) A company is said to be resident in India in any previous year, if—

(i) it is an Indian company; or

(ii) its place of effective management, in that year, is in India.

Explanation.—For the purposes of this clause “place of effective management” means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole, are in substance made.”.

Amendment
of section 9.

5. In section 9 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—

(A) in clause (i), after *Explanation 5*, the following *Explanations* shall be inserted, namely:—

“*Explanation 6.*—For the purposes of this clause, it is hereby declared that—

(a) the share or interest, referred to in *Explanation 5*, shall be deemed to derive its value substantially from the assets (whether tangible or intangible) located in India, if, on the specified date, the value of such assets—

(i) exceeds the amount of ten crore rupees; and

(ii) represents at least fifty per cent. of the value of all the assets owned by the company or entity, as the case may be;

(b) the value of an asset shall be the fair market value as on the specified date, of such asset without reduction of liabilities, if any, in respect of the asset, determined in such manner as may be prescribed;

(c) “accounting period” means each period of twelve months ending with the 31st day of March;

Provided that where a company or an entity, referred to in *Explanation 5*, regularly adopts a period of twelve months ending on a day other than the 31st day of March for the purpose of—

(i) complying with the provisions of the tax laws of the territory, of which it is a resident, for tax purposes; or

(ii) reporting to persons holding the share or interest,

then, the period of twelve months ending with the other day shall be the accounting period of the company or, as the case may be, the entity:

Provided further that the first accounting period of the company or, as the case may be, the entity shall begin from the date of its registration or incorporation and end with the 31st day of March or such other day, as the case may be, following the date of such registration or incorporation, and the later accounting period shall be the successive periods of twelve months:

Provided also that if the company or the entity ceases to exist before the end of accounting period, as aforesaid, then, the accounting period shall end immediately before the company or, as the case may be, the entity, ceases to exist;

(d) "specified date" means the—

(i) date on which the accounting period of the company or, as the case may be, the entity ends preceding the date of transfer of a share or an interest; or

(ii) date of transfer, if the book value of the assets of the company or, as the case may be, the entity on the date of transfer exceeds the book value of the assets as on the date referred to in sub-clause (i), by fifteen per cent:

Explanation 7.— For the purposes of this clause,—

(a) no income shall be deemed to accrue or arise to a non-resident from transfer, outside India, of any share of, or interest in, a company or an entity, registered or incorporated outside India, referred to in the *Explanation 5*,—

(i) if such company or entity directly owns the assets situated in India and the transferor (whether individually or along with its associated enterprises), at any time in the twelve months preceding the date of transfer, neither holds the right of management or control in relation to such company or entity, nor holds voting power or share capital or interest exceeding five per cent. of the total voting power or total share capital or total interest, as the case may be, of such company or entity; or

(ii) if such company or entity indirectly owns the assets situated in India and the transferor (whether individually or along with its associated enterprises), at any time in the twelve months preceding the date of transfer, neither holds the right of management or control in relation to such company or entity, nor holds any right in, or in relation to, such company or entity which would entitle him to the right of management or control in the company or entity that directly owns the assets situated in India, nor holds such percentage of voting power or share capital or interest in such company or entity which results in holding of (either individually or along with associated enterprises) a voting power or share capital or interest exceeding five per cent. of the total voting power or total share capital or total interest, as the case may be, of the company or entity that directly owns the assets situated in India;

(b) in a case where all the assets owned, directly or indirectly, by a company or, as the case may be, an entity referred to in the *Explanation 5*, are not located in India, the income of the non-resident transferor, from transfer outside India of a share of, or interest in, such company or entity, deemed to accrue or arise in India under this clause, shall be only

such part of the income as is reasonably attributable to assets located in India and determined in such manner as may be prescribed;

(c) “associated enterprise” shall have the meaning assigned to it in section 92A;’;

(B) in clause (v), after sub-clause (c), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this clause,—

(a) it is hereby declared that in the case of a non-resident, being a person engaged in the business of banking, any interest payable by the permanent establishment in India of such non-resident to the head office or any permanent establishment or any other part of such non-resident outside India shall be deemed to accrue or arise in India and shall be chargeable to tax in addition to any income attributable to the permanent establishment in India and the permanent establishment in India shall be deemed to be a person separate and independent of the non-resident person of which it is a permanent establishment and the provisions of the Act relating to computation of total income, determination of tax and collection and recovery shall apply accordingly;

(b) “permanent establishment” shall have the meaning assigned to it in clause (iia) of section 92F;’.

Insertion of
new section
9A.

Certain
activities not
to constitute
business
connection in
India.

6. After section 9 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

‘9A. (1) Notwithstanding anything contained in sub-section (1) of section 9 and subject to the provisions of this section, in the case of an eligible investment fund, the fund management activity carried out through an eligible fund manager acting on behalf of such fund shall not constitute business connection in India of the said fund.

(2) Notwithstanding anything contained in section 6, an eligible investment fund shall not be said to be resident in India for the purpose of that section merely because the eligible fund manager, undertaking fund management activities on its behalf, is situated in India.

(3) The eligible investment fund referred to in sub-section (1), means a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfils the following conditions, namely:—

(a) the fund is not a person resident in India;

(b) the fund is a resident of a country or a specified territory with which an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A has been entered into;

(c) the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent. of the corpus of the fund;

(d) the fund and its activities are subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident;

(e) the fund has a minimum of twenty-five members who are, directly or indirectly, not connected persons;

(f) any member of the fund along with connected persons shall not have any participation interest, directly or indirectly, in the fund exceeding ten per cent.;

(g) the aggregate participation interest, directly or indirectly, of ten or less members along with their connected persons in the fund, shall be less than fifty per cent.;

(h) the fund shall not invest more than twenty per cent. of its corpus in any entity;

(i) the fund shall not make any investment in its associate entity;

(j) the monthly average of the corpus of the fund shall not be less than one hundred crore rupees:

Provided that if the fund has been established or incorporated in the previous year, the corpus of fund shall not be less than one hundred crore rupees at the end of such previous year;

(k) the fund shall not carry on or control and manage, directly or indirectly, any business in India or from India;

(l) the fund is neither engaged in any activity which constitutes a business connection in India nor has any person acting on its behalf whose activities constitute a business connection in India other than the activities undertaken by the eligible fund manager on its behalf;

(m) the remuneration paid by the fund to an eligible fund manager in respect of fund management activity undertaken by him on its behalf is not less than the arm's length price of the said activity:

Provided that the conditions specified in clauses (e), (f) and (g) shall not apply in case of an investment fund set up by the Government or the Central Bank of a foreign State or a sovereign fund, or such other fund as the Central Government may subject to conditions if any, by notification in the Official Gazette, specify in this behalf.

(4) The eligible fund manager, in respect of an eligible investment fund, means any person who is engaged in the activity of fund management and fulfils the following conditions, namely:—

(a) the person is not an employee of the eligible investment fund or a connected person of the fund;

(b) the person is registered as a fund manager or an investment advisor in accordance with the specified regulations;

(c) the person is acting in the ordinary course of his business as a fund manager;

(d) the person along with his connected persons shall not be entitled, directly or indirectly, to more than twenty per cent. of the profits accruing or arising to the eligible investment fund from the transactions carried out by the fund through the fund manager.

(5) Every eligible investment fund shall, in respect of its activities in a financial year, furnish within ninety days from the end of the financial year, a statement in the prescribed form, to the prescribed income-tax authority containing information relating to the fulfilment of the conditions specified in this section and also provide such other relevant information or documents as may be prescribed.

(6) Nothing contained in this section shall apply to exclude any income from the total income of the eligible investment fund, which would have been so included irrespective of whether the activity of the eligible fund manager constituted the business connection in India of such fund or not.

(7) Nothing contained in this section shall have any effect on the scope of total income or determination of total income in the case of the eligible fund manager.

(8) The provisions of this section shall be applied in accordance with such guidelines and in such manner as the Board may prescribe in this behalf.

(9) For the purposes of this section,—

(a) “associate” means an entity in which a director or a trustee or a partner or a member or a fund manager of the investment fund or a director or a trustee or a partner or a member of the fund manager of such fund, holds, either individually or collectively, share or interest, being more than fifteen per cent. of its share capital or interest, as the case may be;

(b) “connected person” shall have the meaning assigned to it in clause (4) of section 102;

(c) “corpus” means the total amount of funds raised for the purpose of investment by the eligible investment fund as on a particular date;

(d) “entity” means any entity in which an eligible investment fund makes an investment;

(e) “specified regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 or the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, or such other regulations made under the Securities and Exchange Board of India Act, 1992, which may be notified by the Central Government under this clause. 15 of 1992.

Amendment of
section 10.

7. In section 10 of the Income-tax Act,—

(I) after clause (11), the following clause shall be inserted, namely:—

“(11A) any payment from an account, opened in accordance with the Sukanya Samriddhi Account Rules, 2014 made under the Government Savings Bank Act, 1873;”;

5 of 1873.

(II) in clause (23C), after sub-clause (iiia), the following sub-clauses shall be inserted, namely:—

“(iiiaa) the Swachh Bharat Kosh, set up by the Central Government; or

(iiiaaa) the Clean Ganga Fund, set up by the Central Government; or”;

(III) with effect from the 1st day of April, 2016—

(a) after clause (23ED), the following clause shall be inserted, namely:—

“(23EE) any specified income of such Core Settlement Guarantee Fund, set up by a recognised clearing corporation in accordance with the regulations, as the Central Government may, by notification in the Official Gazette, specify in this behalf:

Provided that where any amount standing to the credit of the Fund and not charged to income-tax during any previous year is shared, either wholly or in part with the specified person, the whole of the amount so shared shall be deemed to be the income of the previous year in which such amount is so shared and shall, accordingly, be chargeable to income-tax.

Explanation.—For the purposes of this clause,—

(i) “recognised clearing corporation” shall have the same meaning as assigned to it in clause (o) of sub-regulation (1) of regulation 2 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 “and the Securities Contracts (Regulation) Act, 1956”.

15 of 1992.
42 of 1956.

(ii) “regulations” means the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 “and the Securities Contracts (Regulation) Act, 1956”.

15 of 1992.
42 of 1956.

(iii) “specified income” shall mean,—

(a) the income by way of contribution received from specified persons;

(b) the income by way of penalties imposed by the recognised clearing corporation and credited to the Core Settlement Guarantee Fund; or

(c) the income from investment made by the Fund;

(iv) “specified person” shall mean,—

(a) any recognised clearing corporation which establishes and maintains the Core Settlement Guarantee Fund; and

(b) any recognised stock exchange, being a shareholder in such recognised clearing corporation, or a contributor to the Core Settlement Guarantee Fund; and

(c) any clearing member contributing to the Core Settlement Guarantee Fund;”;

(b) in clause (23FB), before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided that nothing contained in this clause shall apply in respect of any income of a venture capital company or venture capital fund, being an investment fund specified in clause (a) of the *Explanation 1* to section 115UB, of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2016;”;

(c) after clause (23FB), the following clauses shall be inserted, namely:—

‘(23FBA) any income of an investment fund other than the income chargeable under the head “Profits and gains of business or profession”;

(23FBB) any income referred to in section 115UB, accruing or arising to, or received by, a unit holder of an investment fund, being that proportion of income which is of the same nature as income chargeable under the head “Profits and gains of business or profession”.

Explanation.—For the purposes of clauses (23FBA) and (23FBB), the expression “investment fund” shall have the meaning assigned to it in clause (a) of the *Explanation 1* to section 115UB;”;

(d) after clause (23FC), the following clause shall be inserted, namely:—

‘(23FCA) any income of a business trust, being a real estate investment trust, by way of renting or leasing or letting out any real estate asset owned directly by such business trust.

Explanation.—For the purposes of this clause, the expression “real estate asset” shall have the same meaning as assigned to it in clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992;”;

(e) in clause (23FD), after the word, brackets, figures and letters “clause (23FC)”, the words, brackets, figures and letters “or clause (23FCA)” shall be inserted;

(f) in clause (38), the second proviso shall be omitted.

8. In section 11 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(I) in sub-section (1), in *Explanation*, in clause (2), after sub-clause (b), in the long line, for the brackets, words and figures “(such option to be exercised in writing before the expiry of the time allowed under sub-section (1) of section 139 for furnishing the return of income)”, the brackets, words and figures “(such option to be exercised before the expiry of the time allowed under sub-section (1) of section 139 for furnishing the return of income, in such form and manner as may be prescribed)” shall be substituted;

(II) in sub-section (2), for clauses (a) and (b) and the first and second provisos, the following shall be substituted, namely:—

“(a) such person furnishes a statement in the prescribed form and in the prescribed manner to the Assessing Officer, stating the purpose for which the

Amendment
of section 11.

income is being accumulated or set apart and the period for which the income is to be accumulated or set apart, which shall in no case exceed five years;

(b) the money so accumulated or set apart is invested or deposited in the forms or modes specified in sub-section (5);

(c) the statement referred to in clause (a) is furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year:

Provided that in computing the period of five years referred to in clause (a), the period during which the income could not be applied for the purpose for which it is so accumulated or set apart, due to an order or injunction of any court, shall be excluded.”.

Amendment
of section 13.

9. In section 13 of the Income-tax Act, after sub-section (8) and before *Explanation 1*, the following sub-section shall be inserted with effect from the 1st day of April, 2016, namely:—

“(9) Nothing contained in sub-section (2) of section 11 shall operate so as to exclude any income from the total income of the previous year of a person in receipt thereof, if—

(i) the statement referred to in clause (a) of the said sub-section in respect of such income is not furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year; or

(ii) the return of income for the previous year is not furnished by such person on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the said previous year.”.

Amendment
of section 32.

10. In section 32 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—

(a) in clause (ii),—

(A) in the second proviso, after the words, brackets, figures and letter “asset referred to in clause (i) or clause (ii) or clause (iia)”, the words, brackets, figures and letter “or the first proviso to clause (iia)” shall be inserted;

(B) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that where an asset referred to in clause (iia) or the first proviso to clause (iia), as the case may be, is acquired by the assessee during the previous year and is put to use for the purposes of business for a period of less than one hundred and eighty days in that previous year, and the deduction under this sub-section in respect of such asset is restricted to fifty per cent. of the amount calculated at the percentage prescribed for an asset under clause (iia) for that previous year, then, the deduction for the balance fifty per cent. of the amount calculated at the percentage prescribed for such asset under clause (iia) shall be allowed under this sub-section in the immediately succeeding previous year in respect of such asset;”;

(b) in clause (iia),—

(A) in the proviso, for the word “Provided”, the words “Provided further” shall be substituted;

(B) before the proviso, the following proviso shall be inserted, namely:—

“Provided that where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the

Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new machinery or plant (other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, the provisions of clause (iia) shall have effect, as if for the words “twenty per cent.”, the words “thirty-five per cent.” had been substituted.”.

11. After section 32AC of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Insertion of new section 32AD.

‘32AD. (1) Where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new asset for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, there shall be allowed a deduction of a sum equal to fifteen per cent. of the actual cost of such new asset for the assessment year relevant to the previous year in which such new asset is installed.

Investment in new plant or machinery in notified backward areas in certain States.

(2) If any new asset acquired and installed by the assessee is sold or otherwise transferred, except in connection with the amalgamation or demerger or reorganisation of business referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, within a period of five years from the date of its installation, the amount of deduction allowed under sub-section (1) in respect of such new asset shall be deemed to be the income of the assessee chargeable under the head “Profits and gains of business or profession” of the previous year in which such new asset is sold or otherwise transferred, in addition to taxability of gains, arising on account of transfer of such new asset.

(3) Where the new asset is sold or otherwise transferred in connection with the amalgamation or demerger or reorganisation of business referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47 within a period of five years from the date of its installation, the provisions of sub-section (2) shall apply to the amalgamated company or the resulting company or the successor referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, as the case may be, as they would have applied to the amalgamating company or the demerged company or the predecessor referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47.

(4) For the purposes of this section, “new asset” means any new plant or machinery (other than a ship or aircraft) but does not include—

(a) any plant or machinery, which before its installation by the assessee, was used either within or outside India by any other person;

(b) any plant or machinery installed in any office premises or any residential accommodation, including accommodation in the nature of a guest house;

(c) any office appliances including computers or computer software;

(d) any vehicle; or

(e) any plant or machinery, the whole of the actual cost of which is allowed as deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head “Profits and gains of business or profession” of any previous year.’.

12. In section 35 of the Income-tax Act, with effect from the 1st day of April, 2016,—

Amendment of section 35.

(i) in sub-section (2AA), in the proviso, after the words “submit its report to the”, the words “Principal Chief Commissioner or Chief Commissioner or” shall be inserted;

(ii) in sub-section (2AB),—

(a) in clause (3), for the words “for audit of accounts maintained for that facility”, the words “fulfils such conditions with regard to maintenance of accounts and audit thereof and furnishing of reports in such manner as may be prescribed” shall be substituted;

(b) in clause (4), after the words “approval of the said facility to the”, the words “Principal Chief Commissioner or Chief Commissioner or” shall be inserted.

Amendment of
section 36.

13. In section 36 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—

(a) in clause (iii), in the proviso, the words “for extension of existing business or profession” shall be omitted;

(b) in clause (vii), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that where the amount of such debt or part thereof has been taken into account in computing the income of the assessee of the previous year in which the amount of such debt or part thereof becomes irrecoverable or of an earlier previous year on the basis of income computation and disclosure standards notified under sub-section (2) of section 145 without recording the same in the accounts, then, such debt or part thereof shall be allowed in the previous year in which such debt or part thereof becomes irrecoverable and it shall be deemed that such debt or part thereof has been written off as irrecoverable in the accounts for the purposes of this clause.”;

(c) after clause (xvi), the following clause shall be inserted, namely:—

“(xvii) the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar for purchase of sugarcane at a price which is equal to or less than the price fixed or approved by the Government.”

Amendment of
section 47.

14. In section 47 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(a) after clause (viaa), the following clause shall be inserted, namely:—

“(viab) any transfer, in a scheme of amalgamation, of a capital asset, being a share of a foreign company, referred to in the *Explanation 5* to clause (i) of sub-section (1) of section 9, which derives, directly or indirectly, its value substantially from the share or shares of an Indian company, held by the amalgamating foreign company to the amalgamated foreign company, if—

(A) at least twenty-five per cent. of the shareholders of the amalgamating foreign company continue to remain shareholders of the amalgamated foreign company; and

(B) such transfer does not attract tax on capital gains in the country in which the amalgamating company is incorporated;”;

(b) after clause (vicb), the following clause shall be inserted, namely:—

“(vicc) any transfer in a demerger, of a capital asset, being a share of a foreign company, referred to in the *Explanation 5* to clause (i) of sub-section (1) of section 9, which derives, directly or indirectly, its value substantially from the share or shares of an Indian company, held by the demerged foreign company to the resulting foreign company, if—

(a) the shareholders, holding not less than three-fourths in value of the shares of the demerged foreign company, continue to remain shareholders of the resulting foreign company; and

(b) such transfer does not attract tax on capital gains in the country in which the demerged foreign company is incorporated:

1 of 1956.

Provided that the provisions of sections 391 to 394 of the Companies Act, 1956 shall not apply in case of demergers referred to in this clause;”;

(c) after clause (xvii), the following clause shall be inserted, namely:—

“(xviii) any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating scheme of a mutual fund, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated scheme of the mutual fund:

Provided that the consolidation is of two or more schemes of equity oriented fund or of two or more schemes of a fund other than equity oriented fund.

Explanation.— For the purposes of this clause,—

(a) “consolidated scheme” means the scheme with which the consolidating scheme merges or which is formed as a result of such merger;

(b) “consolidating scheme” means the scheme of a mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992;

15 of 1992.

(c) “equity oriented fund” shall have the meaning assigned to it in clause (38) of section 10;

(d) “mutual fund” means a mutual fund specified under clause (23D) of section 10.’.

15. In section 49 of the Income-tax Act, with effect from the 1st day of April, 2016,— Amendment of section 49.

(I) in sub-section (1), in clause (iii), in sub-clause (e), for the words, brackets, figures and letters “or clause (viaa) or clause (vica) or clause (vicb)”, the words, brackets, figures and letters “or clause (viaa) or clause (viab) or clause (vib) or clause (vica) or clause (vicb) or clause (vice)” shall be substituted;

(II) after sub-section (2AB), the following sub-section shall be inserted, namely:—

“(2ABB) Where the capital asset, being share or shares of a company, is acquired by a non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the cost of acquisition of the share or shares shall be the price of such share or shares prevailing on any recognised stock exchange on the date on which a request for such redemption was made.

Explanation.—For the purposes of this sub-section, “recognised stock exchange” shall have the meaning assigned to it in clause (ii) of the *Explanation* 1 to sub-section (5) of section 43.’;

(III) after sub-section (2AC), the following sub-section shall be inserted, namely:—

“(2AD) Where the capital asset, being a unit or units in a consolidated scheme of a mutual fund, became the property of the assessee in consideration of a transfer referred to in clause (xviii) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the unit or units in the consolidating scheme of the mutual fund.”.

Amendment of
section 80C.

16. In section 80C of the Income-tax Act,—

(I) in sub-section (2), in clause (viii), for the words “as subscription to”, the words, brackets and figure “as subscription, in the name of any person specified in sub-section (4), to” shall be substituted;

(II) in sub-section (4), after clause (b), the following clause shall be inserted, namely:—

“(ba) for the purposes of clause (viii) of that sub-section, in the case of an individual, the individual or any girl child of that individual, or any girl child for whom such person is the legal guardian, if the scheme so specifies;”.

Amendment of
section 80CCC.

17. In section 80CCC of the Income-tax Act, in sub-section (I), for the words “one lakh rupees”, the words “one hundred and fifty thousand rupees” shall be substituted with effect from the 1st day of April, 2016.

Amendment of
section
80CCD.

18. In section 80CCD of the Income-tax Act, with effect from the 1st day of April, 2016,—

(a) sub-section (1A) shall be omitted;

(b) after sub-section (1A), as so omitted the following sub-section shall be inserted, namely:—

“(1B) An assessee referred to in sub-section (I), shall be allowed a deduction in computation of his total income, whether or not any deductions is allowed under sub-section (I), of the whole of the amount paid or deposited in the previous year in his account under a pension scheme notified or as may be notified by the Central Government, which shall not exceed fifty thousand rupees:

Provided that no deduction under this sub-section shall be allowed in respect of the amount on which a deduction has been claimed and allowed under sub-section (I).”;

(c) in sub-section (3),—

(I) for the word, brackets and figure “sub-section (I)”, wherever they occur, the words, brackets, figures and letter “sub-section (I) or sub-section (1B)” shall be substituted;

(II) for the words “under that sub-section”, the words “under those sub-sections” shall be substituted;

(d) in sub-section (4), for the word, brackets and figure “sub-section (I)”, the words, brackets, figures and letter “sub-section (I) or sub-section (1B)” shall be substituted.

Amendment of
section 80D.

19. In section 80D of the Income-tax Act, with effect from the 1st day of April, 2016,—

(A) for the words “fifteen thousand rupees”, wherever they occur the words “twenty-five thousand rupees” shall be substituted;

(B) for the words “twenty thousand rupees”, wherever they occur, the words “thirty thousand rupees” shall be substituted;

(C) in sub-section (2), after clause (b), the following shall be inserted, namely:—

“(c) the whole of the amount paid on account of medical expenditure incurred on the health of the assessee or any member of his family as does not exceed in the aggregate thirty thousand rupees; and

(d) the whole of the amount paid on account of medical expenditure incurred on the health of any parent of the assessee, as does not exceed in the aggregate thirty thousand rupees:

Provided that the amount referred to in clause (c) or clause (d) is paid in respect of a very senior citizen and no amount has been paid to effect or to keep in force an insurance on the health of such person:

Provided further that the aggregate of the sum specified under clause (a) and clause (c) or the aggregate of the sum specified under clause (b) and clause (d) shall not exceed thirty thousand rupees.”;

(D) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Where the assessee is a Hindu undivided family, the sum referred to in sub-section (1), shall be the aggregate of the following, namely:—

(a) whole of the amount paid to effect or to keep in force an insurance on the health of any member of that Hindu undivided family as does not exceed in the aggregate twenty-five thousand rupees; and

(b) the whole of the amount paid on account of medical expenditure incurred on the health of any member of the Hindu undivided family as does not exceed in the aggregate thirty thousand rupees:

Provided that the amount referred to in clause (b) is paid in respect of a very senior citizen and no amount has been paid to effect or to keep in force an insurance on the health of such person:

Provided further that the aggregate of the sum specified under clause (a) and clause (b) shall not exceed thirty thousand rupees.”;

(E) in sub-section (4), —

(i) for the words, brackets and figure “or in sub-section (3)”, the words, brackets, letter and figure “or clause (a) of sub-section (3)” shall be substituted;

(ii) after the words “senior citizen,”, the words “or a very senior citizen,” shall be inserted;

(iii) the *Explanation* shall be omitted;

(F) after sub-section (5), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this section,—

(i) “senior citizen” means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year;

(ii) “very senior citizen” means an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year.’.

20. In section 80DD of the Income-tax Act, with effect from the 1st day of April, 2016, for sub-section (1), the following sub-section shall be substituted, namely:—

Amendment
of section
80DD.

“(1) Where an assessee, being an individual or a Hindu undivided family, who is a resident in India, has, during the previous year,—

(a) incurred any expenditure for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability; or

(b) paid or deposited any amount under a scheme framed in this behalf by the Life Insurance Corporation or any other insurer or the Administrator or the specified company subject to the conditions specified in sub-section (2) and approved by the Board in this behalf for the maintenance of a dependant, being a person with disability,

the assessee shall, in accordance with and subject to the provisions of this section, be allowed a deduction of a sum of seventy-five thousand rupees from his gross total income in respect of the previous year:

Provided that where such dependant is a person with severe disability, the provisions of this sub-section shall have effect as if for the words "seventy-five thousand rupees", the words "one hundred and twenty-five thousand rupees" had been substituted."

Amendment
of section
80DDB.

21. In section 80DDB of the Income-tax Act, with effect from the 1st day of April, 2016,—

(i) for the first proviso, the following proviso shall be substituted, namely:—

"Provided that no such deduction shall be allowed unless the assessee obtains the prescription for such medical treatment from a neurologist, an oncologist, a urologist, a haematologist, an immunologist or such other specialist, as may be prescribed:"

(ii) after the third proviso, the following proviso shall be inserted, namely:—

'Provided also that where the amount actually paid is in respect of the assessee or his dependant or any member of a Hindu undivided family of the assessee and who is a very senior citizen, the provisions of this section shall have effect as if for the words "forty thousand rupees", the words "eighty thousand rupees" had been substituted.'

(iii) in the *Explanation*,—

(a) clause (ii) shall be omitted;

(b) after clause (iv), the following clause shall be inserted, namely:—

'(v) "very senior citizen" means an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year.'

Amendment of
section 80G.

22. In section 80G of the Income-tax Act,—

(A) in sub-section (1), in clause (i),—

(I) after the words, brackets, figures and letters "sub-clause (iihj) or", the words, brackets, figures and letters "sub-clause (iihk) or sub-clause (iihl) or" shall be inserted;

(II) after the words, brackets, figures and letters "sub-clause (iihl) or", as so inserted, the words, brackets, figures and letters "sub-clause (iihm) or" shall be inserted with effect from the 1st day of April, 2016;

(B) in sub-section (2), in clause (a),—

(I) after sub-clause (iihj), the following sub-clauses shall be inserted, namely:—

"(iihk) the Swachh Bharat Kosh, set up by the Central Government, other than the sum spent by the assessee in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013; or

18 of 2013.

(iihl) the Clean Ganga Fund, set up by the Central Government, where such assessee is a resident and such sum is other than the sum spent by the assessee in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013; or";

18 of 2013.

(II) the following sub-clause shall be inserted with effect from the 1st day of April, 2016, namely:—

"(iihm) the National Fund for Control of Drug Abuse constituted under section 7A of the Narcotic Drugs and Psychotropic Substances Act, 1985; or".

61 of 1985.

23. In section 80JJAA of the Income-tax Act, with effect from the 1st day of April, 2016,—
- Amendment of section 80JJAA.
- (a) in sub-section (1), the words, “being an Indian company,” shall be omitted;
- (b) in sub-section (2), for clause (a), the following clause shall be substituted, namely:—
- “(a) if the factory is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation;”;
- (c) in the *Explanation*, in clause (i), for the words “one hundred workmen”, the words “fifty workmen” shall be substituted.
24. In section 80U of the Income-tax Act, with effect from the 1st day of April, 2016, for sub-section (1), the following sub-section shall be substituted, namely:—
- Amendment of section 80U.
- “(1) In computing the total income of an individual, being a resident, who, at any time during the previous year, is certified by the medical authority to be a person with disability, there shall be allowed a deduction of a sum of seventy-five thousand rupees:
- Provided that where such individual is a person with severe disability, the provisions of this sub-section shall have effect as if for the words “seventy-five thousand rupees”, the words “one hundred and twenty-five thousand rupees” had been substituted.”.
25. In section 92BA of the Income-tax Act, for the words “five crore rupees” occurring at the end, the words “twenty crore rupees” shall be substituted with effect from the 1st day of April, 2016.
- Amendment of section 92BA.
26. Section 95 of the Income-tax Act shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered and before the *Explanation*, the following sub-section shall be inserted, namely:—
- Amendment of section 95.
- “(2) This Chapter shall apply in respect of any assessment year beginning on or after the 1st day of April, 2018.”.
27. In section 111A of the Income-tax Act, in sub-section (1), the second proviso shall be omitted with effect from the 1st day of April, 2016.
- Amendment of section 111A.
28. In section 115A of the Income-tax Act, in sub-section (1), in clause (b), with effect from the 1st day of April, 2016,—
- Amendment of section 115A.
- (a) in sub-clause (A), for the words “twenty-five per cent.”, the words “ten per cent.” shall be substituted;
- (b) in sub-clause (B), for the words “twenty-five per cent.”, the words “ten per cent.” shall be substituted.
29. In section 115ACA of the Income-tax Act, after sub-section (3), in the *Explanation*, in clause (a), with effect from the 1st day of April, 2016, for the words “issued to non-resident investors against the issue of ordinary shares or foreign currency convertible bonds of issuing company” occurring at the end, the following shall be substituted, namely:—
- Amendment of section 115ACA.
- “issued to investors against the issue of,—
- (i) ordinary shares of issuing company, being a company listed on a recognised stock exchange in India; or
- (ii) foreign currency convertible bonds of issuing company;”.
30. In section 115JB of the Income-tax Act, in the *Explanation 1* below sub-section (2), with effect from the 1st day of April, 2016,—
- Amendment of section 115JB.
- (a) after clause (f), the following clauses shall be inserted, namely:—

“(fa) the amount or amounts of expenditure relatable to income, being share of the assessee in the income of an association of persons or body of individuals, on which no income-tax is payable in accordance with the provisions of section 86; or

(fb) the amount or amounts of expenditure relatable to income accruing or arising to an assessee, being a foreign company, from,—

(A) the capital gains arising on transactions in securities; or

(B) the interest, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII,

if the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (1); or

(fc) the amount representing notional loss on transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by the trust referred to in clause (xvii) of section 47 or the amount representing notional loss resulting from any change in carrying amount of said units or the amount of loss on transfer of units referred to in clause (xvii) of section 47; or”;

(b) after clause (j), the following clause shall be inserted, namely:—

“(k) the amount of gain on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through profit or loss account, as the case may be;”;

(c) after clause (iib), the following clauses shall be inserted, namely:—

“(iic) the amount of income, being the share of the assessee in the income of an association of persons or body of individuals, on which no income-tax is payable in accordance with the provisions of section 86, if any, such amount is credited to the profit and loss account; or

(iia) the amount of income accruing or arising to an assessee, being a foreign company, from,—

(A) the capital gains arising on transactions in securities; or

(B) the interest, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII,

if such income is credited to the profit and loss account and the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (1); or

(iie) the amount representing,—

(A) notional gain on transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by that trust referred to in clause (xvii) of section 47; or

(B) notional gain resulting from any change in carrying amount of said units; or

(C) gain on transfer of units referred to in clause (xvii) of section 47, if any, credited to the profit and loss account; or

(*ii*) the amount of loss on transfer of units referred to in clause (*xvii*) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through profit or loss account, as the case may be; or”;

(*d*) after *Explanation 3*, the following *Explanation* shall be inserted, namely:—

‘*Explanation 4*.—For the purposes of sub-section (2), the expression “securities” shall have the same meaning as assigned to it in clause (*h*) of section 2 of the Securities Contracts (Regulation) Act, 1956.’.

42 of 1956.

31. In section 115U of the Income-tax Act, after sub-section (5), before the *Explanation 1*, the following sub-section shall be inserted with effect from the 1st day of April, 2016, namely:—

Amendment of section 115U.

“(6) Nothing contained in this Chapter shall apply in respect of any income, of a previous year relevant to the assessment year beginning on or after the 1st day of April, 2016, accruing or arising to, or received by, a person from investments made in a venture capital company or venture capital fund, being an investment fund specified in clause (*a*) of the *Explanation 1* to section 115UB.”.

32. In section 115UA of the Income-tax Act, in sub-section (3), after the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, figures and letters “or clause (23FCA)” shall be inserted with effect from the 1st day of April, 2016.

Amendment of section 115UA.

33. After Chapter XII-FA of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of April, 2016, namely:—

Insertion of new Chapter XII-FB.

‘CHAPTER XII-FB

SPECIAL PROVISIONS RELATING TO TAX ON INCOME OF INVESTMENT FUNDS AND INCOME RECEIVED FROM SUCH FUNDS

115UB. (*1*) Notwithstanding anything contained in any other provisions of this Act and subject to the provisions of this Chapter, any income accruing or arising to, or received by, a person, being a unit holder of an investment fund, out of investments made in the investment fund, shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to, or received by, such person had the investments made by the investment fund been made directly by him.

Tax on income of investment fund and its unit holders.

(2) Where in any previous year, the net result of computation of total income of the investment fund [without giving effect to the provisions of clause (23FBA) of section 10] is a loss under any head of income and such loss cannot be or is not wholly set-off against income under any other head of income of the said previous year, then,—

(*i*) such loss shall be allowed to be carried forward and it shall be set-off by the investment fund in accordance with the provisions of Chapter VI; and

(*ii*) such loss shall be ignored for the purposes of sub-section (*1*).

(3) The income paid or credited by the investment fund shall be deemed to be of the same nature and in the same proportion in the hands of the person referred to in sub-section (*1*), as if it had been received by, or had accrued or arisen to, the investment fund during the previous year subject to the provisions of sub-section (2).

(4) The total income of the investment fund shall be charged to tax—

(i) at the rate or rates as specified in the Finance Act of the relevant year, where such fund is a company or a firm; or

(ii) at maximum marginal rate in any other case.

(5) The provisions of Chapter XII-D or Chapter XII-E shall not apply to the income paid by an investment fund under this Chapter.

(6) The income accruing or arising to, or received by, the investment fund, during a previous year, if not paid or credited to the person referred to in sub-section (1), shall subject to the provisions of sub-section (2), be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

(7) The person responsible for crediting or making payment of the income on behalf of an investment fund and the investment fund shall furnish, within such time as may be prescribed, to the person who is liable to tax in respect of such income and to the prescribed income-tax authority, a statement in the prescribed form and verified in such manner, giving details of the nature of the income paid or credited during the previous year and such other relevant details, as may be prescribed.

Explanation 1.—For the purposes of this Chapter,—

(a) “investment fund” means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992;

15 of 1992.

(b) “trust” means a trust established under the Indian Trusts Act, 1882 or under any other law for the time being in force;

2 of 1882.

(c) “unit” means beneficial interest of an investor in the investment fund or a scheme of the investment fund and shall include shares or partnership interests.

Explanation 2.—For the removal of doubts, it is hereby declared that any income which has been included in total income of the person referred to in sub-section (1) in a previous year, on account of it having accrued or arisen in the said previous year, shall not be included in the total income of such person in the previous year in which such income is actually paid to him by the investment fund.’

Amendment
of section
132B.

34. In section 132B of the Income-tax Act, in sub-section (1), in clause (i), with effect from the 1st day of June, 2015, for the words “deemed to be in default, may be recovered out of such assets” occurring at the end, the words, brackets, figures and letter “deemed to be in default, or the amount of liability arising on an application made before the Settlement Commission under sub-section (1) of section 245C, may be recovered out of such assets” shall be substituted.

Amendment
of section
139.

35. In section 139 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(1). in sub-section (1),—

(A) for fourth proviso, the following provisos shall be substituted, namely:—

“Provided also that a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6, who is not required to furnish a return under this sub-section and who at any time during the previous year,—

(a) holds, as a beneficial owner or otherwise, any asset (including any financial interest in any entity) located outside India or has signing authority in any account located outside India; or

(b) is a beneficiary of any asset (including any financial interest in any entity) located outside India,

shall furnish, on or before the due date, a return in respect of his income or loss for the previous year in such form and verified in such manner and setting forth such other particulars as may be prescribed:

Provided also that nothing contained in the fourth proviso shall apply to an individual, being a beneficiary of any asset (including any financial interest in any entity) located outside India where, income, if any, arising from such asset is includible in the income of the person referred to in clause (a) of that proviso in accordance with the provisions of this Act.”;

(B) after *Explanation 3*, the following *Explanations* shall be inserted, namely:—

‘Explanation 4. — For the purposes of this section “beneficial owner” in respect of an asset means an individual who has provided, directly or indirectly, consideration for the asset for the immediate or future benefit, direct or indirect, of himself or any other person.

Explanation 5. — For the purposes of this section “beneficiary” in respect of an asset means an individual who derives benefit from the asset during the previous year and the consideration for such asset has been provided by any person other than such beneficiary.’;

(II) in sub-section (4C), in clause (e),—

(a) after the words “other educational institution referred to in”, the words, brackets, figures and letters “sub-clause (iiiab) or” shall be inserted;

(b) after the words “other medical institution referred to in”, the words, brackets, figures and letters “sub-clause (iiiac) or” shall be inserted;

(III) after sub-section (4E), the following sub-section shall be inserted, namely:—

“(4F) Every investment fund referred to in section 115UB, which is not required to furnish return of income or loss under any other provisions of this section, shall furnish the return of income in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (I).”;

(IV) in sub-section (6), for the words “assets of the prescribed nature, value and belonging to him”, the words “assets of the prescribed nature and value, held by him as a beneficial owner or otherwise or in which he is a beneficiary” shall be substituted.

36. For section 151 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2015, namely:—

“151. (1) No notice shall be issued under section 148 by an Assessing Officer, after the expiry of a period of four years from the end of the relevant assessment year, unless the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner is satisfied, on the reasons recorded by the Assessing Officer, that it is a fit case for the issue of such notice.

(2) In a case other than a case falling under sub-section (1), no notice shall be issued under section 148 by an Assessing Officer, who is below the rank of Joint Commissioner, unless the Joint Commissioner is satisfied, on the reasons recorded by such Assessing Officer, that it is a fit case for the issue of such notice.

Substitution of new section for section 151.

Sanction for issue of notice.

(3) For the purposes of sub-section (1) and sub-section (2), the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or the Joint Commissioner, as the case may be, being satisfied on the reasons recorded by the Assessing Officer about fitness of a case for the issue of notice under section 148, need not issue such notice himself.”.

Amendment
of section
153C.

37. In section 153C of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015, for the portion beginning with the words and figures “Notwithstanding anything contained in section 139” and ending with the words “the Assessing Officer having jurisdiction over such other person”, the words, figures, brackets and letters “Notwithstanding anything contained in section 139, section 147, section 148, section 149, section 151 and section 153, where the Assessing Officer is satisfied that,—

(a) any money, bullion, jewellery or other valuable article or thing, seized or requisitioned, belongs to; or

(b) any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to,

a person other than the person referred to in section 153A, then, the books of account or documents or assets, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person” shall be substituted.

Amendment
of section
154.

38. In section 154 of the Income-tax Act, with effect from the 1st day of June, 2015,—

(i) in sub-section (1), after clause (c), the following clause shall be inserted, namely:—

“(d) amend any intimation under sub-section (1) of section 206CB.”;

(ii) in sub-section (2), in clause (b), after the words “or by the deductor”, the words “or by the collector” shall be inserted;

(iii) in sub-section (3), after the words “or the deductor” wherever they occur, the words “or the collector” shall be inserted;

(iv) in sub-section (5), after the words “or the deductor” at both the places where they occur, the words “or the collector” shall be inserted;

(v) in sub-section (6), after the words “or the deductor” at both the places where they occur, the words “or the collector” shall be inserted;

(vi) in sub-section (8), after the words “or by the deductor”, the words “or by the collector” shall be inserted.

Amendment of
section 156.

39. In section 156 of the Income-tax Act, in the proviso, with effect from the 1st day of June, 2015, for the words, brackets, figures and letter “by the deductor under sub-section (1) of section 143 or sub-section (1) of section 200A”, the words, brackets, figures and letters “the deductor or the collector under sub-section (1) of section 143 or sub-section (1) of section 200A or sub-section (1) of section 206CB” shall be substituted.

Insertion of
new section
158AA.

Procedure
when in an
appeal by
revenue an
identical
question of law
is pending
before Supreme
Court.

40. After section 158A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

“158AA. (1) Notwithstanding anything contained in this Act, where the Commissioner or Principal Commissioner is of the opinion that any question of law arising in the case of an assessee for any assessment year (such case being herein referred to as relevant case) is identical with a question of law arising in his case for another assessment year which is pending before the Supreme Court, in an appeal under section 261 or in a special leave petition under article 136 of the Constitution, against the order of the High Court in favour of the assessee (such case being herein referred to as the other case), he may, instead of directing the Assessing Officer to appeal to the Appellate Tribunal under sub-section (2) or sub-section (2A) of

section 253, direct the Assessing Officer to make an application to the Appellate Tribunal in the prescribed form within sixty days from the date of receipt of the order of the Commissioner (Appeals) stating that an appeal on the question of law arising in the relevant case may be filed when the decision on the question of law becomes final in the other case.

(2) The Commissioner or Principal Commissioner shall direct the Assessing Officer to make an application under sub-section (1) only if an acceptance is received from the assessee to the effect that the question of law in the other case is identical to that arising in the relevant case; and in case no such acceptance is received, the Commissioner or Principal Commissioner shall proceed in accordance with the provisions contained in sub-section (2) or sub-section (2A) of section 253.

(3) Where the order of the Commissioner (Appeals) referred to in sub-section (1) is not in conformity with the final decision on the question of law in the other case, the Commissioner or Principal Commissioner may direct the Assessing Officer to appeal to the Appellate Tribunal against such order and save as otherwise provided in this section all other provisions of Part B of Chapter XX shall apply accordingly.

(4) Every appeal under sub-section (3) shall be filed within sixty days from the date on which the order of the Supreme Court in the other case is communicated to the Commissioner or Principal Commissioner.

41. In section 192 of the Income-tax Act, after sub-section (2C), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:—

Amendment of section 192.

“(2D) The person responsible for making the payment referred to in sub-section (1) shall, for the purposes of estimating income of the assessee or computing tax deductible under sub-section (1), obtain from the assessee the evidence or proof or particulars of prescribed claims (including claim for set-off of loss) under the provisions of the Act in such form and manner as may be prescribed.”.

42. After section 192 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

Insertion of new section 192A.

“192A. Notwithstanding anything contained in this Act, the trustees of the Employees’ Provident Fund Scheme, 1952, framed under section 5 of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 or any person authorised under the scheme to make payment of accumulated balance due to employees, shall, in a case where the accumulated balance due to an employee participating in a recognised provident fund is includible in his total income owing to the provisions of rule 8 of Part A of the Fourth Schedule not being applicable, at the time of payment of the accumulated balance due to the employee, deduct income-tax thereon at the rate of ten per cent.:

Payment of accumulated balance due to an employee.

Provided that no deduction under this section shall be made where the amount of such payment or, as the case may be, the aggregate amount of such payment to the payee is less than thirty thousand rupees:

Provided further that any person entitled to receive any amount on which tax is deductible under this section shall furnish his permanent account number to the person responsible for deducting such tax, failing which tax shall be deducted at the maximum marginal rate.”.

43. In section 194A of the Income-tax Act, in sub-section (3), with effect from the 1st day of June, 2015,—

Amendment of section 194A.

(a) in clause (i), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the amount referred to in the first proviso shall be computed with reference to the income credited or paid by the banking company or the co-operative society or the public company, as

the case may be, where such banking company or the co-operative society or the public company has adopted core banking solutions;”;

(b) in clause (v), for the words “paid by a co-operative society to a member thereof or”, the words and brackets “paid by a co-operative society (other than a co-operative bank) to a member thereof or to such income credited or paid by a co-operative society” shall be substituted;

(c) after clause (v), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this clause, “co-operative bank” shall have the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949;’;

10 of 1949.

(d) for clause (ix), the following clauses shall be substituted, namely:—

“(ix) to such income credited by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal;

(ixa) to such income paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, as the case may be, the aggregate of the amounts of such income paid during the financial year does not exceed fifty thousand rupees;”;

(e) in *Explanation* 1 below clause (xi), for the word “excluding”, the word “including” shall be substituted.

Amendment
of section
194C.

44. In section 194C of the Income-tax Act, in sub-section (6), with effect from the 1st day of June, 2015, for the words “on furnishing of”, the words “where such contractor owns ten or less goods carriages at any time during the previous year and furnishes a declaration to that effect along with” shall be substituted.

Amendment
of section
194-I.

45. In section 194-I of the Income-tax Act, with effect from the 1st day of June, 2015, after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that no deduction shall be made under this section where the income by way of rent is credited or paid to a business trust, being a real estate investment trust, in respect of any real estate asset, referred to in clause (23FCA) of section 10, owned directly by such business trust.”.

Amendment
of section
194LBA.

46. In section 194LBA of the Income-tax Act, with effect from the 1st day of June, 2015,—

(a) in sub-section (1), after the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, figures and letters “or clause (23FCA)” shall be inserted;

(b) in sub-section (2), for the words “being a non-resident, not being a company”, the words and brackets “being a non-resident (not being a company)” shall be substituted;

(c) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Where any distributed income referred to in section 115UA, being of the nature referred to in clause (23FCA) of section 10, is payable by a business trust to its unit holder, being a non-resident (not being a company), or a foreign company, the person responsible for making the payment shall at the time of credit of such payment to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rates in force.”.

Insertion of
new section
194LBB.

47. After section 194LBA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

Income in
respect of
units of
investment
fund.

‘194LBB. Where any income, other than that proportion of income which is of the same nature as income referred to in clause (23FBB) of section 10, is payable to a unit holder in respect of units of an investment fund specified in clause (a) of the

Explanation 1 to section 115UB, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

Explanation.—For the purposes of this section,—

(a) “unit” shall have the meaning assigned to it in clause (c) of the *Explanation 1* to section 115UB;

(b) where any income as aforesaid is credited to any account, whether called “suspense account” or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee, and the provisions of this section shall apply accordingly.’.

48. In section 194LD of the Income-tax Act, in sub-section (2), with effect from the 1st day of June, 2015, for the figures, letters and words “1st day of June, 2015”, the figures, letters and words “1st day of July, 2017” shall be substituted. Amendment of section 194LD.

49. In section 195 of the Income-tax Act, for sub-section (6), the following sub-section shall be substituted with effect from the 1st day of June, 2015, namely:— Amendment of section 195.

“(6) The person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum, whether or not chargeable under the provisions of this Act, shall furnish the information relating to payment of such sum, in such form and manner, as may be prescribed.”.

50. In section 197A of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 197A.

(i) in sub-section (1A), for the words, figures and letter “section 193 or section 194A” at both the places where they occur, the words, figures and letters “section 192A or section 193 or section 194A or section 194DA” shall respectively be substituted;

(ii) in sub-section (1C), for the words, figures and letter “section 193 or section 194 or section 194A” at both the places where they occur, the words, figures and letters “section 192A or section 193 or section 194 or section 194A or section 194DA” shall respectively be substituted.

51. In section 200 of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 200.

“(2A) In case of an office of the Government, where the sum deducted in accordance with the foregoing provisions of this Chapter or tax referred to in sub-section (1A) of section 192 has been paid to the credit of the Central Government without the production of a challan, the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such sum or tax to the credit of the Central Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such manner, setting forth such particulars and within such time as may be prescribed.”.

52. In section 200A of the Income-tax Act, in sub-section (1), for clauses (c) to (e), the following clauses shall be substituted with effect from the 1st day of June, 2015, namely:— Amendment of section 200A.

“(c) the fee, if any, shall be computed in accordance with the provisions of section 234E;

(d) the sum payable by, or the amount of refund due to, the deductor shall be determined after adjustment of the amount computed under clause (b) and clause (c) against any amount paid under section 200 or section 201 or section 234E and any amount paid otherwise by way of tax or interest or fee;

(e) an intimation shall be prepared or generated and sent to the deductor specifying the sum determined to be payable by, or the amount of refund due to, him under clause (d); and

(f) the amount of refund due to the deductor in pursuance of the determination under clause (d) shall be granted to the deductor.”

Amendment of
section 203A.

53. In section 203A of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:—

“(3) The provisions of this section shall not apply to such person, as may be notified by the Central Government in this behalf.”

Amendment
of section
206C.

54. In section 206C of the Income-tax Act; after sub-section (3), the following sub-sections shall be inserted with effect from the 1st day of June, 2015, namely:—

“(3A) In case of an office of the Government, where the amount collected under sub-section (1) or sub-section (1C) or sub-section (1D) has been paid to the credit of the Central Government without the production of a challan, the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such tax to the credit of the Central Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such manner, setting forth such particulars and within such time as may be prescribed.

(3B) The person referred to in the proviso to sub-section (3) may also deliver to the prescribed authority under the said proviso, a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under the said proviso in such form and verified in such manner, as may be specified by the authority.”

Insertion of
new section
206CB.
Processing of
statements of
tax collected
at source.

55. After section 206CA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

‘206CB. (1) Where a statement of tax collection at source or a correction statement has been made by a person collecting any sum (herein referred to as collector) under section 206C, such statement shall be processed in the following manner, namely:—

(a) the sums collectible under this Chapter shall be computed after making the following adjustments, namely:—

(i) any arithmetical error in the statement;

(ii) an incorrect claim, apparent from any information in the statement;

(b) the interest, if any, shall be computed on the basis of the sums collectible as computed in the statement;

(c) the fee, if any, shall be computed in accordance with the provisions of section 234E;

(d) the sum payable by, or the amount of refund due to, the collector, shall be determined after adjustment of the amount computed under clause (b) and clause (c) against any amount paid under section 206C or section 234E and any amount paid otherwise by way of tax or interest or fee;

(e) an intimation shall be prepared or generated and sent to the collector specifying the sum determined to be payable by, or the amount of refund due to, him under clause (d); and

(f) the amount of refund due to the collector in pursuance of the determination under clause (d) shall be granted to the collector:

Provided that no intimation under this sub-section shall be sent after the expiry of the period of one year from the end of the financial year in which the statement is filed.

Explanation.—For the purposes of this sub-section, “an incorrect claim apparent from any information in the statement” shall mean a claim, on the basis of an entry, in the statement—

(i) of an item, which is inconsistent with another entry of the same or some other item in such statement;

(ii) in respect of rate of collection of tax at source, where such rate is not in accordance with the provisions of this Act.

(2) The Board may make a scheme for centralised processing of statements of tax collected at source to expeditiously determine the tax payable by, or the refund due to, the collector, as required under sub-section (1).’

56. In section 220 of the Income-tax Act, after sub-section (2B), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:—

Amendment
of section
220.

“(2C) Notwithstanding anything contained in sub-section (2), where interest is charged under sub-section (7) of section 206C on the amount of tax specified in the intimation issued under sub-section (1) of section 206CB for any period, then, no interest shall be charged under sub-section (2) on the same amount for the same period.”

57. In section 234B of the Income-tax Act, with effect from the 1st day of June, 2015,—

Amendment
of section
234B.

(i) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) (a) where an application under sub-section (1) of section 245C for any assessment year has been made, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April of such assessment year and ending on the date of making such application, on the additional amount of income-tax referred to in that sub-section;

(b) where as a result of an order of the Settlement Commission under sub-section (4) of section 245D for any assessment year, the amount of total income disclosed in the application under sub-section (1) of section 245C is increased, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April of such assessment year and ending on the date of such order, on the amount by which the tax on the total income determined on the basis of such order exceeds the tax on the total income disclosed in the application filed under sub-section (1) of section 245C;

(c) where, as a result of an order under sub-section (6B) of section 245D, the amount on which interest was payable under clause (b) has been increased or reduced, as the case may be, the interest shall be increased or reduced accordingly.”;

(ii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) where, as a result of an order of reassessment or recomputation under section 147 or section 153A, the amount on which interest was payable in respect of shortfall in payment of advance tax for any financial year under sub-section (1) is increased, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April next following such financial year and ending on the date of the reassessment or recomputation under section 147 or section 153A, on the amount by which the tax on the total income determined on the basis of the reassessment or recomputation exceeds the tax on the total income determined under sub-section (1) of section 143 or on the basis of the regular assessment as referred to in sub-section (1), as the case may be.”;

(iii) in sub-section (4), the words, brackets, figures and letter “or an order of the Settlement Commission under sub-section (4) of section 245D” shall be omitted.

Amendment of section 245A.

58. In section 245A of the Income-tax Act, in clause (b), in the *Explanation*, with effect from the 1st day of June, 2015,—

(A) for clause (i), the following clause shall be substituted, namely:—

“(i) a proceeding for assessment or reassessment or recomputation under section 147 shall be deemed to have commenced—

(a) from the date on which a notice under section 148 is issued for any assessment year;

(b) from the date of issuance of the notice referred to in sub-clause (a), for any other assessment year or assessment years for which a notice under section 148 has not been issued, but such notice could have been issued on such date, if the return of income for the other assessment year or assessment years has been furnished under section 139 or in response to a notice under section 142;”;

(B) in clause (iv), for the words, figure and letters “from the 1st day of the assessment year and concluded on the date on which the assessment is made” occurring at the end, the words and figures “from the date on which the return of income for that assessment year is furnished under section 139 or in response to a notice served under section 142 and concluded on the date on which the assessment is made; or on the expiry of two years from the end of the relevant assessment year, in case where no assessment is made” shall be substituted.

Amendment of section 245D.

59. In section 245D of the Income-tax Act, for sub-section (6B), with effect from the 1st day of June, 2015, the following sub-section shall be substituted, namely:—

“(6B) The Settlement Commission may, with a view to rectifying any mistake apparent from the record, amend any order passed by it under sub-section (4)—

(a) at any time within a period of six months from the end of the month in which the order was passed; or

(b) at any time within the period of six months from the end of the month in which an application for rectification has been made by the Principal Commissioner or the Commissioner or the applicant, as the case may be:

Provided that no application for rectification shall be made by the Principal Commissioner or the Commissioner or the applicant after the expiry of six months from the end of the month in which an order under sub-section (4) is passed by the Settlement Commission:

Provided further that an amendment which has the effect of modifying the liability of the applicant shall not be made under this sub-section unless the Settlement Commission has given notice to the applicant and the Principal Commissioner or Commissioner of its intention to do so and has allowed the applicant and the Principal Commissioner or Commissioner an opportunity of being heard.”.

Amendment of section 245H.

60. In section 245H of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015, after the words “subject to such conditions as it may think fit to impose”, the words “for the reasons to be recorded in writing” shall be inserted.

Amendment of section 245HA.

61. In section 245HA of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015,—

(A) after clause (iii), the following clause shall be inserted, namely:—

“(iiia) in respect of any application made under section 245C, an order under sub-section (4) of section 245D has been passed not providing for the terms of settlement; or”;

(B) in the *Explanation*, after clause (c), the following clause shall be inserted, namely:—

“(ca) in respect of an application referred to clause (iia), the day on which the order under sub-section (4) of section 245D was passed not providing for the terms of settlement;”.

62. In section 245K of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 245K.

(A) in sub-section (1), for the words “he shall not be entitled to apply”, the words and brackets “he or any person related to such person (herein referred to as related person) shall not be entitled to apply” shall be substituted;

(B) in sub-section (2), for the words “shall not be subsequently entitled”, the words “or any related person shall not be subsequently entitled” shall be substituted;

(C) after sub-section (2), the following *Explanation* shall be inserted, namely:—

Explanation.—For the purposes of this section, “related person” with respect to a person means,—

(i) where such person is an individual, any company in which such person holds more than fifty per cent. of the shares or voting rights at any time, or any firm or association of persons or body of individuals in which such person is entitled to more than fifty per cent. of the profits at any time, or any Hindu undivided family in which such person is a *karta*;

(ii) where such person is a company, any individual who held more than fifty per cent. of the shares or voting rights in such company at any time before the date of application before the Settlement Commission by such person;

(iii) where such person is a firm or association of persons or body of individuals, any individual who was entitled to more than fifty per cent. of the profits in such firm, association of persons or body of individuals, at any time before the date of application before the Settlement Commission by such person;

(iv) where such person is a Hindu undivided family, the *karta* of that Hindu undivided family.’.

63. In section 245-O of the Income-tax Act, in sub-section (3), for clause (d), the following clause shall be substituted, namely:— Amendment of section 245-O.

“(d) a law Member from the Indian Legal Service, who is, or is qualified to be, an Additional Secretary to the Government of India.”.

64. In section 246A of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015,— Amendment of section 246A.

(a) in the opening portion, after the words “or any deductor”, the words “or any collector” shall be inserted;

(b) in clause (a), for the words, brackets, figures and letter “sub-section (1) of section 200A, where the assessee or the deductor”, the words, brackets, figures and letters “sub-section (1) of section 200A or sub-section (1) of section 206CB, where the assessee or the deductor or the collector” shall be substituted.

65. In section 253 of the Income-tax Act, in sub-section (1), after clause (e), the following clause shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 253.

“(f) an order passed by the prescribed authority under sub-clause (vi) or sub-clause (via) of clause (23C) of section 10.”.

66. In section 255 of the Income-tax Act, in sub-section (3), with effect from the 1st day of June, 2015, for the words “five hundred thousand rupees”, the words “fifteen lakh rupees” shall be substituted. Amendment of section 255.

Amendment
of section
263.

67. In section 263 of the Income-tax Act, in sub-section (1), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted with effect from the 1st day of June, 2015, namely:—

“*Explanation 2.*—For the purposes of this section, it is hereby declared that an order passed by the Assessing Officer shall be deemed to be erroneous in so far as it is prejudicial to the interests of the revenue, if, in the opinion of the Principal Commissioner or Commissioner,—

(a) the order is passed without making inquiries or verification which should have been made;

(b) the order is passed allowing any relief without inquiring into the claim;

(c) the order has not been made in accordance with any order, direction or instruction issued by the Board under section 119; or

(d) the order has not been passed in accordance with any decision which is prejudicial to the assessee, rendered by the jurisdictional High Court or Supreme Court in the case of the assessee or any other person.”

Substitution of
new section for
section 269SS.

68. For section 269SS of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2015, namely:—

Mode of taking
or accepting
certain loans,
deposits and
specified sum.

269SS. No person shall take or accept from any other person (herein referred to as the depositor), any loan or deposit or any specified sum, otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account, if,—

(a) the amount of such loan or deposit or specified sum or the aggregate amount of such loan, deposit and specified sum; or

(b) on the date of taking or accepting such loan or deposit or specified sum, any loan or deposit or specified sum taken or accepted earlier by such person from the depositor is remaining unpaid (whether repayment has fallen due or not), the amount or the aggregate amount remaining unpaid; or

(c) the amount or the aggregate amount referred to in clause (a) together with the amount or the aggregate amount referred to in clause (b),

is twenty thousand rupees or more:

Provided that the provisions of this section shall not apply to any loan or deposit or specified sum taken or accepted from, or any loan or deposit or specified sum taken or accepted by,—

(a) the Government;

(b) any banking company, post office savings bank or co-operative bank;

(c) any corporation established by a Central, State or Provincial Act;

(d) any Government company as defined in clause (45) of section 2 of the Companies Act, 2013;

(e) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette:

Provided further that the provisions of this section shall not apply to any loan or deposit or specified sum, where the person from whom the loan or deposit or specified sum is taken or accepted and the person by whom the loan or deposit or specified sum is taken or accepted, are both having agricultural income and neither of them has any income chargeable to tax under this Act.

Explanation.— For the purposes of this section,—

10 of 1949.

(i) “banking company” means a company to which the provisions of the Banking Regulation Act, 1949 applies and includes any bank or banking institution referred to in section 51 of that Act;

10 of 1949.

(ii) “co-operative bank” shall have the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949;

(iii) “loan or deposit” means loan or deposit of money;

(iv) “specified sum” means any sum of money receivable, whether as advance or otherwise, in relation to transfer of an immovable property, whether or not the transfer takes place.’.

69. In section 269T of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 269T.

(A) in the opening portion—

(a) after the words “repay any loan or deposit made with it”, the words “or any specified advance received by it” shall be inserted;

(b) after the words “made the loan or deposit”, the words “or paid the specified advance,” shall be inserted;

(B) in clause (a), after the words “loan or deposit”, the words “or specified advance” shall be inserted;

(C) in clause (b), the word “or” shall be inserted at the end;

(D) after clause (b) and before the long line, the following clause shall be inserted, namely:—

“(c) the aggregate amount of the specified advances received by such person either in his own name or jointly with any other person on the date of such repayment together with the interest, if any, payable on such specified advances,”;

(E) in the second proviso, after the words “any loan or deposit”, the words “or specified advance” shall be inserted;

(F) in the *Explanation*, after clause (iii), the following clause shall be inserted, namely:—

‘(iv) “specified advance” means any sum of money in the nature of advance, by whatever name called, in relation to transfer of an immovable property, whether or not the transfer takes place.’.

70. In section 271 of the Income-tax Act, with effect from the 1st day of April, 2016, in sub-section (1), for *Explanation 4*, the following *Explanation* shall be substituted, namely:— Amendment of section 271.

“*Explanation 4.*— For the purposes of clause (iii) of this sub-section,—

(a) the amount of tax sought to be evaded shall be determined in accordance with the following formula—

$$(A - B) + (C - D)$$

where,

A = amount of tax on the total income assessed as per the provisions other than the provisions contained in section 115JB or section 115JC (herein called general provisions);

B = amount of tax that would have been chargeable had the total income assessed as per the general provisions been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished;

C = amount of tax on the total income assessed as per the provisions contained in section 115JB or section 115JC;

D = amount of tax that would have been chargeable had the total income assessed as per the provisions contained in section 115JB or section 115JC been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished:

Provided that where the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished on any issue is considered both under the provisions contained in section 115JB or section 115JC and under general provisions, such amount shall not be reduced from total income assessed while determining the amount under item D:

Provided further that in a case where the provisions contained in section 115JB or section 115JC are not applicable, the item $(C-D)$ in the formula shall be ignored;

(b) where in any case the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished has the effect of reducing the loss declared in the return or converting that loss into income, the amount of tax sought to be evaded shall be determined in accordance with the formula specified in clause (a) with the modification that the amount to be determined for item $(A-B)$ in that formula shall be the amount of tax that would have been chargeable on the income in respect of which particulars have been concealed or inaccurate particulars have been furnished had such income been the total income;

(c) where in any case to which *Explanation 3* applies, the amount of tax sought to be evaded shall be the tax on the total income assessed as reduced by the amount of advance tax, tax deducted at source, tax collected at source and self-assessment tax paid before the issue of notice under section 148.”.

Amendment of section 271D.

71. In section 271D of the Income-tax Act, in sub-section (1), after the words “loan or deposit” occurring at both the places, the words “or specified sum” shall be inserted with effect from the 1st day of June, 2015.

Amendment of section 271E.

72. In section 271E of the Income-tax Act, in sub-section (1), after the words “loan or deposit” occurring at both the places, the words “or specified advance” shall be inserted with effect from the 1st day of June, 2015.

Insertion of new section 271FAB.

73. After section 271FAA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Penalty for failure to furnish statement or information or document by an eligible investment fund.

“271FAB. If any eligible investment fund which is required to furnish a statement or any information or document, as required under sub-section (5) of section 9A fails to furnish such statement or information or document within the time prescribed under that sub-section, the income-tax authority prescribed under the said sub-section may direct that such fund shall pay, by way of penalty, a sum of five hundred thousand rupees.”.

Insertion of new section 271GA.

74. After section 271G of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Penalty for failure to furnish information or document under section 285A.

“271GA. If any Indian concern, which is required to furnish any information or document under section 285A, fails to do so, the income-tax authority, as may be prescribed under the said section, may direct that such Indian concern shall pay, by way of penalty,—

(i) a sum equal to two per cent. of the value of the transaction in respect of which such failure has taken place, if such transaction had the effect of

directly or indirectly transferring the right of management or control in relation to the Indian concern;

(ii) a sum of five hundred thousand rupees in any other case.”.

75. After section 271H of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

Insertion of new section 271-I.

“271-I. If a person, who is required to furnish information under sub-section (6) of section 195, fails to furnish such information; or furnishes inaccurate information, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of one lakh rupees.”.

Penalty for failure to furnish information or furnishing inaccurate information under section 195.

76. In section 272A of the Income-tax Act, in sub-section (2), with effect from the 1st day of June, 2015,—

Amendment of section 272A.

(a) after clause (l), the following clause shall be inserted, namely:—

“(m) to deliver or cause to be delivered a statement within the time as may be prescribed under sub-section (2A) of section 200 or sub-section (3A) of section 206C,”;

(b) in the first proviso, for the words, brackets, figures and letter “statements under sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C”, the words, brackets, figures and letters “statements under sub-section (2A) or sub-section (3) of section 200 or the proviso to sub-section (3) or under sub-section (3A) of section 206C” shall be substituted.

77. In section 273B of the Income-tax Act,—

Amendment of section 273B.

(I) for the words, figures and letters “section 271FB, section 271G”, the words, figures and letters “section 271FAB, section 271FB, section 271G, section 271GA” shall be substituted with effect from the 1st day of April, 2016;

(II) after the word, figures and letter “section 271H”, the word, figures and letter “section 271-I,” shall be inserted with effect from the 1st day of June, 2015.

78. After section 285 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Insertion of new section 285A.

“285A. Where any share of, or interest in, a company or an entity registered or incorporated outside India derives, directly or indirectly, its value substantially from the assets located in India, as referred to in *Explanation 5* to clause (i) of sub-section (1) of section 9, and such company or, as the case may be, entity, holds, directly or indirectly, such assets in India through, or in, an Indian concern, then, such Indian concern shall, for the purposes of determination of any income accruing or arising in India under clause (i) of sub-section (1) of section 9, furnish within the prescribed period to the prescribed income-tax authority the information or documents, in such manner, as may be prescribed.”.

Furnishing of information or documents by an Indian concern in certain cases.

79. In section 288 of the Income-tax Act, with effect from the 1st day of June, 2015,—

Amendment of section 288.

(i) after sub-section (2), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

‘*Explanation*.—In this section, “accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act, but does not include [except for the

purposes of representing the assessee under sub-section (1)]—

(a) in case of an assessee, being a company, the person who is not eligible for appointment as an auditor of the said company in accordance with the provisions of sub-section (3) of section 141 of the Companies Act, 2013; or

18 of 2013.

(b) in any other case,—

(i) the assessee himself or in case of the assessee, being a firm or association of persons or Hindu undivided family, any partner of the firm, or member of the association or the family;

(ii) in case of the assessee, being a trust or institution, any person referred to in clauses (a), (b), (c) and (cc) of sub-section (3) of section 13;

(iii) in case of any person other than persons referred to in sub-clauses (i) and (ii), the person who is competent to verify the return under section 139 in accordance with the provisions of section 140;

(iv) any relative of any of the persons referred to in sub-clauses (i), (ii) and (iii);

(v) an officer or employee of the assessee;

(vi) an individual who is a partner, or who is in the employment, of an officer or employee of the assessee;

(vii) an individual who, or his relative or partner—

(I) is holding any security of, or interest in, the assessee:

Provided that the relative may hold security or interest in the assessee of the face value not exceeding one hundred thousand rupees;

(II) is indebted to the assessee:

Provided that the relative may be indebted to the assessee for an amount not exceeding one hundred thousand rupees;

(III) has given a guarantee or provided any security in connection with the indebtedness of any third person to the assessee:

Provided that the relative may give guarantee or provide any security in connection with the indebtedness of any third person to the assessee for an amount not exceeding one hundred thousand rupees;

(viii) a person who, whether directly or indirectly, has business relationship with the assessee of such nature as may be prescribed;

(ix) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction.’;

(ii) in sub-section (4), for the portion beginning with brackets, letter and words “(c) who has become an insolvent,” and ending with the words, brackets and letter “in the case of a person referred to in sub-clause (c)”, the following shall be substituted, namely:—

“(c) who has become an insolvent; or

(d) who has been convicted by a court for an offence involving fraud, shall be qualified to represent an assessee under sub-section (1), for all times in the case of a person referred to in clause (a), for such time as the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner may by order determine in the case of a person referred to in clause (b), for the period during which the insolvency continues in the case of a person referred to in clause (c), and for a period of ten years from the date of conviction in the case of a person referred to in clause (d).”;

(iii) after sub-section (7), the following *Explanation* shall be inserted, namely:—

Explanation.—For the purposes of this section, “relative” in relation to an individual, means—

- (a) spouse of the individual;
- (b) brother or sister of the individual;
- (c) brother or sister of the spouse of the individual;
- (d) any lineal ascendant or descendant of the individual;
- (e) any lineal ascendant or descendant of the spouse of the individual;
- (f) spouse of a person referred to in clause (b), clause (c), clause (d) or clause (e);
- (g) any lineal descendant of a brother or sister of either the individual or the spouse of the individual.’

80. In section 295 of the Income-tax Act, in sub-section (2), after clause (h), the following clause shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 295.

“(ha) the procedure for granting of relief or deduction, as the case may be, of any income-tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, against the income-tax payable under this Act;”.

Wealth-tax

81. In section 3 of the Wealth-tax Act, 1957, in sub-section (2), with effect from the 1st day of April, 2016, after the words, figures and letters “from the 1st day of April, 1993”, the words, figures and letters “but before the 1st day of April, 2016” shall be inserted. Amendment of Act 27 of 1957.

CHAPTER IV

INDIRECT TAXES

Customs

52 of 1962.

82. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 28,— Amendment of section 28.

(a) in sub-section (2), the following proviso shall be inserted, namely:—

“Provided that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.”;

(b) in sub-section (5), for the words “twenty-five per cent.”, the words “fifteen per cent.” shall be substituted;

(c) after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

Explanation 3.— For the removal of doubts, it is hereby declared that the proceedings in respect of any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued under sub-section (1) or sub-section (4), as the case may be, but an order determining duty under sub-section (8) has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall, without prejudice to the provisions of sections 135, 135A and 140, as may be applicable, be deemed to be concluded, if the payment of duty, interest and penalty under the proviso to sub-section (2) or under sub-section (5), as the case may be, is made in full within thirty days from the date on which such assent is received.”.

Amendment
of section
112.

83. In the Customs Act, in section 112, in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely:—

“(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;”.

Amendment
of section
114.

84. In the Customs Act, in section 114, for clause (ii), the following clause shall be substituted, namely:—

“(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:

Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;”.

Amendment
of section
127A.

85. In the Customs Act, in section 127A, in clause (b), in the proviso, the words “in any appeal or revision, as the case may be,” shall be omitted.

Amendment
of section
127B.

86. In the Customs Act, in section 127B, sub-section (1A) shall be omitted.

Amendment
of section
127C.

87. In the Customs Act, in section 127C, sub-section (6) shall be omitted.

Omission of
section 127E.

88. In the Customs Act, section 127E shall be omitted.

Amendment
of section
127H.

89. In the Customs Act, in section 127H, in sub-section (1), the *Explanation* shall be omitted.

Amendment
of section
127L.

90. In the Customs Act, in section 127L, in sub-section (1),—

(a) in clause (i), the words, brackets, figures and letters “passed under sub-section (7) of section 127C, as it stood immediately before the commencement of section 102 of the Finance Act, 2007 or sub-section (5) of section 127C” shall be omitted;

22 of 2007.

(b) in clause (ii), the words, brackets, figures and letter “under said sub-section (7), as it stood immediately before the commencement of section 102 of the Finance Act, 2007 or sub-section (5) of section 127C” shall be omitted.

22 of 2007.

Customs Tariff

Amendment
of First
Schedule.

91. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), the First Schedule shall be amended in the manner specified in the Second Schedule.

51 of 1975.

Central Excise

Amendment
of section 3A.

92. In the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), in section 3A, after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

1 of 1944.

‘*Explanation 3.*— For the purposes of sub-sections (2) and (3), the word “factor” includes “factors”.’.

93. In the Central Excise Act, in section 11A,—

Amendment
of section
11A.

(i) sub-sections (5), (6) and (7) shall be omitted;

(ii) in sub-sections (7A), (8) and clause (b) of sub-section (11), the words, brackets and figure “or sub-section (5)”, wherever they occur, shall be omitted;

(iii) in *Explanation 1*,—

(A) in clause (b), in sub-clause (ii), the words “on due date” shall be omitted;

(B) after sub-clause (v), the following sub-clause shall be inserted, namely :—

“(vi) in the case where only interest is to be recovered, the date of payment of duty to which such interest relates.”;

(C) clause (c) shall be omitted;

(iv) after sub-section (15), the following sub-section shall be inserted, namely :—

“(16) The provisions of this section shall not apply to a case where the liability of duty not paid or short-paid is self-assessed and declared as duty payable by the assessee in the periodic returns filed by him, and in such case, recovery of non-payment or short-payment of duty shall be made in such manner as may be prescribed.”.

(v) for *Explanation 2*, the following *Explanation* shall be substituted, namely :—

“*Explanation 2*.— For the removal of doubts, it is hereby declared that any non-levy, short-levy, non-payment, short-payment or erroneous refund where no show cause notice has been issued before the date on which the Finance Bill, 2015 receives the assent of the President, shall be governed by the provisions of section 11A as amended by the Finance Act, 2015.”;

94. In the Central Excise Act, for section 11AC, the following section shall be substituted, namely:—

Substitution of
new section
for section
11AC.

“11AC. (1) The amount of penalty for non-levy or short-levy or non-payment or short-payment or erroneous refund shall be as follows:—

Penalty for
short-levy or
non-levy of
duty in certain
cases.

(a) where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason other than the reason of fraud or collusion or any wilful mis-statement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty not exceeding ten per cent. of the duty so determined or rupees five thousand, whichever is higher:

Provided that where such duty and interest payable under section 11AA is paid either before the issue of show cause notice or within thirty days of issue of show cause notice, no penalty shall be payable by the person liable to pay duty or the person who has paid the duty and all proceedings in respect of said duty and interest shall be deemed to be concluded;

(b) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (a) is paid within thirty days of the date of communication of

the order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent. of the penalty imposed, subject to the condition that such reduced penalty is also paid within the period so specified;

(c) where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, by reason of fraud or collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty equal to the duty so determined:

Provided that in respect of the cases where the details relating to such transactions are recorded in the specified record for the period beginning with the 8th April, 2011 up to the date on which the Finance Bill, 2015 receives the assent of the President (both days inclusive), the penalty shall be fifty per cent. of the duty so determined;

(d) where any duty demanded in a show cause notice and the interest payable thereon under section 11AA, issued in respect of transactions referred to in clause (c), is paid within thirty days of the communication of show cause notice, the amount of penalty liable to be paid by such person shall be fifteen per cent. of the duty demanded, subject to the condition that such reduced penalty is also paid within the period so specified and all proceedings in respect of the said duty, interest and penalty shall be deemed to be concluded;

(e) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (c) is paid within thirty days of the date of communication of the order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent. of the duty so determined, subject to the condition that such reduced penalty is also paid within the period so specified.

(2) Where the appellate authority or tribunal or court modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10) of section 11A, then, the amount of penalty payable under clause (c) of sub-section (1) and the interest payable under section 11AA shall stand modified accordingly and on taking into account the amount of duty of excise so modified, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay such amount of penalty and interest so modified.

(3) Where the amount of duty or penalty is increased by the appellate authority or tribunal or court over the amount determined under sub-section (10) of section 11A by the Central Excise Officer, the time within which the interest and the reduced penalty payable under clause (b) or clause (e) of sub-section (1) in relation to such increased amount of duty shall be counted from the date of the order of the appellate authority or tribunal or court.

Explanation 1.— For the removal of doubts, it is hereby declared that—

(i) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where no show cause notice has been issued before the date on which the Finance Bill, 2015 receives the assent of the President shall be governed by the provisions of section 11AC as amended by the Finance Act, 2015;

(ii) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued but an order

determining duty under sub-section (10) of section 11A has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall be eligible to closure of proceedings on payment of duty and interest under the proviso to clause (a) of sub-section (1) or on payment of duty, interest and penalty under clause (d) of sub-section (1), subject to the condition that the payment of duty, interest and penalty, as the case may be, is made within thirty days from the date on which the Finance Bill, 2015 receives the assent of the President;

(iii) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where an order determining duty under sub-section (10) of section 11A is passed after the date on which the Finance Bill, 2015 receives the assent of the President shall be eligible to payment of reduced penalty under clause (b) or clause (e) of sub-section (1), subject to the condition that the payment of duty, interest and penalty is made within thirty days of the communication of the order.

Explanation 2.— For the purposes of this section, the expression “specified records” means records maintained by the person chargeable with the duty in accordance with any law for the time being in force and includes computerised records.”.

95. In the Central Excise Act, in section 31, in clause (c), in the proviso, the words “in any appeal or revision, as the case may be,” shall be omitted. Amendment of section 31.

96. In the Central Excise Act, in section 32, in sub-section (3), the proviso shall be omitted. Amendment of section 32.

97. In the Central Excise Act, in section 32B, for the words “, as the case may be, such one of the Vice-Chairmen”, at both the places where they occur, the words “the Member” shall be substituted. Amendment of section 32B.

98. In the Central Excise Act, in section 32E, sub-section (1A) shall be omitted. Amendment of section 32E.

99. In the Central Excise Act, in section 32F, in sub-section (6), for the words, figures and letters “on or before the 31st day of May, 2007, later than the 29th day of February, 2008 and in respect of an application made on or after the 1st day of June, 2007,” shall be omitted. Amendment of section 32F.

100. In the Central Excise Act, section 32H shall be omitted. Omission of section 32H.

101. In the Central Excise Act, in section 32K, in sub-section (1), the *Explanation* shall be omitted. Amendment of section 32K.

102. In the Central Excise Act, in section 32-O, in sub-section (1),— Amendment of section 32-O.

(a) in clause (i), the words, brackets, figures and letters “passed under sub-section (7) of section 32F, as it stood immediately before the commencement of section 122 of the Finance Act, 2007 or sub-section (5) of section 32F” shall be omitted;

22 of 2007.

(b) in clause (ii), the words, brackets, figures and letter “under the said sub-section (7), as it stood immediately before the commencement of section 122 of the Finance Act, 2007 or sub-section (5) of section 32F” shall be omitted.

22 of 2007.

103. In the Central Excise Act, in section 37, in sub-sections (4) and (5), for the words “two thousand rupees”, the words “five thousand rupees” shall be substituted. Amendment of section 37.

104. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 163 (E), dated the 17th March, 2012, issued under sub-section (1) of section 5A of the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), shall stand amended and shall be deemed to have been amended, Amendment of notification issued under section 5A of the Central Excise Act.

1 of 1944.

retrospectively, in the manner specified in column (2) of the Third Schedule, on and from and up to the date specified in column (3) of that Schedule.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 5A of the Central Excise Act, retrospectively, at all material times.

(3) Refund shall be made of all such duty of excise which has been collected but which would not have been so collected, had the notification referred to in sub-section (1), been in force at all material times, subject to the provisions of section 11B of the Central Excise Act.

(4) Notwithstanding anything contained in section 11B of the Central Excise Act, an application for the claim of refund of duty of excise under sub-section (3) shall be made within a period of six months from the date on which the Finance Bill, 2015 receives the assent of the President.

Amendment
of Third
Schedule.

105. In the Central Excise Act, the Third Schedule shall be amended in the manner specified in the Fourth Schedule.

Central Excise Tariff

Amendment
of First
Schedule.

106. In the Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act), the First Schedule shall be amended in the manner specified in the Fifth Schedule. 5 of 1986.

CHAPTER V

SERVICE TAX

Amendment
of section
65B.

107. In the Finance Act, 1994 (hereinafter referred to as the 1994 Act), save as otherwise provided, in section 65B,— 32 of 1994.

(a) clause (9) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(b) after clause (23), the following clause shall be inserted, namely:—

“(23A) “foreman of chit fund” shall have the same meaning as is assigned to the term “foreman” in clause (j) of section 2 of the Chit Funds Act, 1982;” 40 of 1982.

(c) clause (24) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(d) after clause (26), the following clause shall be inserted, namely:—

“(26A) “Government” means the Departments of the Central Government, a State Government and its Departments and a Union territory and its Departments, but shall not include any entity, whether created by a statute or otherwise, the accounts of which are not required to be kept in accordance with article 150 of the Constitution or the rules made thereunder;”

(e) after clause (31), the following clause shall be inserted, namely:—

“(31A) “lottery distributor or selling agent” means a person appointed or authorised by a State for the purposes of promoting, marketing, selling or facilitating in organising lottery of any kind, in any manner, organised by such State in accordance with the provisions of the Lotteries (Regulation) Act, 1998;” 17 of 1998.

(f) in clause (40), the words “alcoholic liquors for human consumption,” shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(g) in clause (44), for *Explanation 2*, the following *Explanation* shall be substituted, namely:—

‘*Explanation 2*.—For the purposes of this clause, the expression “transaction in money or actionable claim” shall not include—

(i) any activity relating to use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

(ii) any activity carried out, for a consideration, in relation to, or for facilitation of, a transaction in money or actionable claim, including the activity carried out—

(a) by a lottery distributor or selling agent in relation to promotion, marketing, organising, selling of lottery or facilitating in organising lottery of any kind, in any other manner;

(b) by a foreman of chit fund for conducting or organising a chit in any manner.’;

(h) clause (49) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint.

108. In section 66B of the 1994 Act, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, for the words “twelve per cent.”, the words “fourteen per cent.” shall be substituted.

Amendment
of section
66B.

109. In section 66D of the 1994 Act, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint,—

Amendment
of section
66D.

(1) in clause (a), in sub-clause (iv), for the words “support services”, the words “any service” shall be substituted;

(2) for clause (f), the following clause shall be substituted, namely:—

“(f) services by way of carrying out any process amounting to manufacture or production of goods excluding alcoholic liquor for human consumption;”;

(3) in clause (i), the following *Explanation* shall be inserted, namely:—

‘*Explanation*.— For the purposes of this clause, the expression “betting, gambling or lottery” shall not include the activity specified in *Explanation 2* to clause (44) of section 65B;’;

(4) clause (j) shall be omitted.

110. In section 66F of the 1994 Act, in sub-section (1), the following *Illustration* shall be inserted, namely:—

Amendment
of section
66F.

Illustration

The services by the Reserve Bank of India, being the main service within the meaning of clause (b) of section 66D, does not include any agency service provided or agreed to be provided by any bank to the Reserve Bank of India. Such agency service, being input service, used by the Reserve Bank of India for providing the main service, for which the consideration by way of fee or commission or any other amount is received by the agent bank, does not get excluded from the levy of service tax by virtue of inclusion of the main service in clause (b) of the negative list in section 66D and hence, such service is leviable to service tax.’

Amendment
of section 67.

111. In section 67 of the 1994 Act, in the *Explanation*, for clause (a), the following clause shall be substituted, namely:—

‘(a) “consideration” includes—

(i) any amount that is payable for the taxable services provided or to be provided;

(ii) any reimbursable expenditure or cost incurred by the service provider and charged, in the course of providing or agreeing to provide a taxable service, except in such circumstances, and subject to such conditions, as may be prescribed;

(iii) any amount retained by the lottery distributor or selling agent from gross sale amount of lottery ticket in addition to the fee or commission, if any, or, as the case may be, the discount received, that is to say, the difference in the face value of lottery ticket and the price at which the distributor or selling agent gets such ticket.’

Amendment
of section 73.

112. In section 73 of the 1994 Act,—

(i) after sub-section (1A), the following sub-section shall be inserted, namely:—

“(1B) Notwithstanding anything contained in sub-section (1), in a case where the amount of service tax payable has been self-assessed in the return furnished under sub-section (1) of section 70, but not paid either in full or in part, the same shall be recovered along with interest thereon in any of the modes specified in section 87, without service of notice under sub-section (1).”;

(ii) sub-section (4A) shall be omitted.

Substitution of
new section
for section 76.

113. For section 76 of the 1994 Act, the following section shall be substituted, namely:—

Penalty for
failure to pay
service tax.

“76. (1) Where service tax has not been levied or paid, or has been short-levied or short-paid, or erroneously refunded, for any reason, other than the reason of fraud or collusion or wilful mis-statement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty not exceeding ten per cent. of the amount of such service tax:

Provided that where service tax and interest is paid within a period of thirty days of—

(i) the date of service of notice under sub-section (1) of section 73, no penalty shall be payable and proceedings in respect of such service tax and interest shall be deemed to be concluded;

(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be twenty-five per cent. of the penalty imposed in that order, only if such reduced penalty is also paid within such period.

(2) Where the amount of penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over the above the amount as determined under sub-section (2) of section 73, the time within which the reduced penalty is payable under clause (ii) of the proviso to sub-section (1) in relation to such increased amount of penalty shall be counted from the date of the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be.”.

114. For section 78 of the 1994 Act, the following section shall be substituted, namely:—

Substitution of
new section
for section 78.

“78. (1) Where any service tax has not been levied or paid, or has been short-levied or short-paid, or erroneously refunded, by reason of fraud or collusion or wilful mis-statement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under the proviso to sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty which shall be equal to hundred per cent. of the amount of such service tax:

Penalty for
failure to pay
service tax for
reasons of
fraud, etc.

Provided that in respect of the cases where the details relating to such transactions are recorded in the specified records for the period beginning with the 8th April, 2011 upto the date on which the Finance Bill, 2015 receives the assent of the President (both days inclusive), the penalty shall be fifty per cent of the service tax so determined:

Provided further that where service tax and interest is paid within a period of thirty days of —

(i) the date of service of notice under the proviso to sub-section (1) of section 73, the penalty payable shall be fifteen per cent. of such service tax and proceedings in respect of such service tax, interest and penalty shall be deemed to be concluded;

(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be twenty-five per cent. of the service tax so determined:

Provided also that the benefit of reduced penalty under the second proviso shall be available only if the amount of such reduced penalty is also paid within such period:

Explanation.—For the purposes of this sub-section, “specified records” means records including computerised data as are required to be maintained by an assessee in accordance with any law for the time being in force or where there is no such requirement, the invoices recorded by the assessee in the books of accounts shall be considered as the specified records.

(2) Where the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, modifies the amount of service tax determined under sub-section (2) of section 73, then the amount of penalty payable under sub-section (1) and the interest payable thereon under section 75 shall stand modified accordingly, and after taking into account the amount of service tax so modified, the person who is liable to pay such amount of service tax, shall also be liable to pay the amount of penalty and interest so modified.

(3) Where the amount of service tax or penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over and above the amount as determined under sub-section (2) of section 73, the time within which the interest and the reduced penalty is payable under clause (ii) of the second proviso to sub-section (1) in relation to such increased amount of service tax shall be counted from the date of the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be.

115. After section 78A of the 1994 Act, the following section shall be inserted, namely:—

Insertion of
new section
78B.

Transitory provisions.

“78B. (1) Where, in any case,—

(a) service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded and no notice has been served under sub-section (1) of section 73 or under the proviso thereto, before the date on which the Finance Bill, 2015 receives the assent of the President; or

(b) service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded and a notice has been served under sub-section (1) of section 73 or under the proviso thereto, but no order has been passed under sub-section (2) of section 73, before the date on which the Finance Bill, 2015 receives the assent of the President,

then, in respect of such cases, the provisions of section 76 or section 78, as the case may be, as amended by the Finance Act, 2015 shall be applicable.

(2) In cases where show cause notice has been issued under sub-section (1) of section 73 or under the proviso thereto, but no order has been passed under sub-section (2) of section 73 before the date on which the Finance Bill, 2015 receives the assent of the President, the period of thirty days for the purpose of closure of proceedings on the payment of service tax and interest under clause (i) of the proviso to sub-section (1) of section 76 or on the payment of service tax, interest and penalty under clause (i) of the second proviso to sub-section (1) of section 78, shall be counted from the date on which the Finance Bill, 2015 receives the assent of the President.”

Omission of section 80.

116. Section 80 of the 1994 Act shall be omitted.

1 of 1994.

Amendment of section 86.

117. In section 86 of the 1994 Act, in sub-section (1), —

1 of 1994.

(a) for the words “Any assessee”, the words “Save as otherwise provided herein, an assessee” shall be substituted;

(b) the following provisos shall be inserted, namely:—

“Provided that where an order, relating to a service which is exported, has been passed under section 85 and the matter relates to grant of rebate of service tax on input services, or rebate of duty paid on inputs, used in providing such service, such order shall be dealt with in accordance with the provisions of section 35EE of the Central Excise Act, 1944:

1 of 1944.

Provided further that all appeals filed before the Appellate Tribunal in respect of matters covered under the first proviso, after the coming into force of the Finance Act, 2012, and pending before it up to the date on which the Finance Bill, 2015 receives the assent of the President, shall be transferred and dealt with in accordance with the provisions of section 35EE of the Central Excise Act, 1944.”.

23 of 2012.

1 of 1944.

Amendment of section 94.

118. In section 94 of the 1994 Act, in sub-section (2), for clause (aa), the following clause shall be substituted, namely:—

“(aa) determination of the amount and value of taxable service, the manner thereof, and the circumstances and conditions under which an amount shall not be a consideration, under section 67;”.

CHAPTER VI

SWACHH BHARAT CESS

Swachh Bharat Cess.

119. (1) This Chapter shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

(2) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be called the Swachh Bharat Cess, as service tax on all or any of the taxable services at the rate of two per cent. on the value of such services for the purposes of financing and promoting Swachh Bharat initiatives or for any other purpose relating thereto.

32 of 1994

(3) The Swachh Bharat Cess leviable under sub-section (2) shall be in addition to any cess or service tax leviable on such taxable services under Chapter V of the Finance Act, 1994, or under any other law for the time being in force.

(4) The proceeds of the Swachh Bharat Cess levied under sub-section (2) shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Swachh Bharat Cess for such purposes specified in sub-section (2), as it may consider necessary.

(5) The provisions of Chapter V of the Finance Act, 1994 and the rules made thereunder, including those relating to refunds and exemptions from tax, interest and imposition of penalty shall, as far as may be, apply in relation to the levy and collection of the Swachh Bharat Cess on taxable services, as they apply in relation to the levy and collection of tax on such taxable services under Chapter V of the Finance Act, 1994 or the rules made thereunder, as the case may be.

CHAPTER VII

SENIOR CITIZENS' WELFARE FUND

PART I

PRELIMINARY

120. (1) This Chapter extends to the whole of India.

Extent and
commencement.

(2) This Chapter shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

121. In this Chapter, unless the context otherwise requires,—

Definitions.

(1) "Committee" means the Inter-Ministerial Committee constituted under section 123;

(2) "eligible interest" means an interest on the principal transferred to the Fund at the rate notified by the Central Government;

(3) "Financial Year" means the period commencing on the 1st day of April and ending on the 31st day of March every year;

(4) "Fund" means the Fund established under section 122;

(5) "inoperative account" means an account under any of the schemes specified by or under sub-section (2) of section 122 and not operated upon for a period of three years if operable on regular basis, or if there is a date of maturity, from the date of maturity, as the case may be;

(6) "Institution" means any bank, Post Office or any other institution notified by the Central Government which is holding the inoperative accounts having unclaimed amounts;

(7) "notification" means a notification published in the Official Gazette;

(8) "prescribed" means prescribed by rules made by the Central Government under this Chapter;

(9) "senior citizen" means a citizen of India who has attained the age of sixty years or above;

(10) "unclaimed amount" means the amount as referred to in sub-section (2) of section 122.

PART II

ESTABLISHMENT AND ADMINISTRATION OF THE FUND

Establishment
of Fund.

122. (1) The Central Government shall establish a Fund to be called the "Senior Citizens' Welfare Fund":

(2) Any credit balance in any of the accounts under the following schemes remaining unclaimed for a period of seven years from the date of its declaration as an inoperative account shall be transferred by the respective Institutions holding them to the Fund.

(a) Small Savings and other Savings Schemes of the Central Government with Post Offices and Banks authorised to operate such Schemes;

(b) Accounts of Public Provident Fund under the Public Provident Fund Scheme, 1968 maintained by Institution; and

(c) such other amounts, in any accounts or schemes as may be prescribed.

(3) The Fund shall be utilised for promoting welfare of senior citizens and for such other purposes as may be prescribed.

(4) The Central Government shall, from time to time, notify the eligible rate of interest for money lying in the Fund.

Constitution
of a
Committee
for
administration
of Fund.

123. (1) The Central Government shall constitute, by notification, an Inter-Ministerial Committee for administration of the Fund consisting of a Chairperson and such other number of Members as the Central Government may appoint.

(2) The manner of administration of the Fund, holding of meetings of the Committee, shall be in accordance with such rules as may be prescribed.

(3) It shall be competent for the Committee to spend money out of the Fund for carrying out the objects specified in sub section (3) of section 122.

Payment of
claims.

124. (1) Any person claiming to be entitled to the unclaimed amount transferred to the Fund may apply to the respective Institution with which the amount due was originally lying or deposited, at any time before the right to the amount is extinguished as provided in section 126.

(2) The person making the application shall bear the onus of establishing his right to receive the amount to which the application relates.

(3) The Institution shall consider the application as expeditiously as possible, and make payment along with the eligible interest, in any case, within sixty days of the receipt of the application.

(4) Any payment under this section shall discharge the Institution from liability in respect of the amount credited to the Fund.

(5) The interest payable, if any, on the money transferred to the Fund shall be determined and notified by the Central Government.

Publication of
information.

125. (1) The Institution shall publish such information as is necessary and sufficient to give reasonable notice of the existence of the unclaimed amounts, before crediting the unclaimed amount to the Fund.

(2) The Central Government may prescribe the method by which such information shall be published.

Escheat to the
Central
Government.

126. (1) Where no request or claim as specified in section 124 of this Chapter is made within a period of twenty-five years from the date of the credit of the unclaimed amount into the Fund, then, notwithstanding anything contrary contained in any other law for the

time being in force, unless a Court otherwise orders, it shall escheat to the Central Government.

(2) The right of any person claiming to have an entitlement to the unclaimed amount shall subsist till the period specified under sub-section (1), and shall extinguish thereafter.

(3) Notwithstanding anything contained in sub-section (2), if, in any case, the Central Government is satisfied that there were genuine reasons which precluded a person from making a claim for refund in time, it may, on the recommendation of the Committee based on examination of facts, refund the money escheated to him.

(4) The Central Government may keep such escheated amount with the Fund for the purposes of the Fund.

PART III

ACCOUNTS AND AUDIT

127. (1) The Fund shall prepare, in such form and at such time for each financial year as may be prescribed, its annual report giving a full account of its activities during the financial year and forward a copy thereof to the Central Government. Reporting of accounts and audit.

(2) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and such audited accounts together with the audit report thereon shall be forwarded annually by the Institution to the Central Government.

(3) The Central Government shall cause the annual report and the audit report given by the Comptroller and Auditor-General of India to be laid before each House of Parliament.

PART IV

MISCELLANEOUS

128. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Chapter. Power of Central Government to make rules.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), such rules may provide for—

- (a) such other amounts referred to in clause (c) of sub-section (2) of section 122;
- (b) the utilisation of the Fund for the purposes under sub-section (3) of section 122;
- (c) the composition of the Committee for managing the Fund under sub-section (2) of section 123;
- (d) the manner of administration of the Fund and the procedure relating to holding of the meetings of the Committee under sub-section (2) of section 123;
- (e) the manner of giving notice to the public about the existence of the unclaimed amounts under sub-section (2) of section 125;
- (f) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this section, shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to
exempt in
certain cases.

129. The Central Government may, for reasons to be recorded in writing, exempt any unclaimed amount or institution or class of unclaimed amounts or institutions from any or all of the provisions of this Chapter, either generally or for such period as may be specified.

Power to
remove
difficulties.

130. (1) If any difficulty arises in giving effect to the provisions of this Chapter, the Central Government may by order, do anything not in consistant with the provisions of this Chapter for the purpose of removing such difficulty:

Provided that no such order shall be made under this section after the expiry of a period of two years from the commencement of this Chapter.

(2) Every order under this section shall be laid, as soon as may be after it is made, before each house of Parliament.

CHAPTER VIII

MISCELLANEOUS

PART I

AMENDMENTS TO THE FORWARD CONTRACTS (REGULATION) ACT, 1952

Commencement
and
amendment of
Act 74 of
1952.

131. [A] The provisions of this Part shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different provisions of this Part.

Insertion of
new section
28A.

[B] In the Forward Contracts (Regulation) Act, 1952, (herein referred to as the Forward Contracts Act), after section 28, the following section shall be inserted, namely:— 74 of 1952.

Savings of
recognised
associations.

“28A.(1) All recognised associations under the Forward Contracts Regulation Act, shall be deemed to be recognised stock exchanges under the Securities Contracts (Regulation) Act, 1956 (herein referred to as the Securities Contracts Act): 42 of 1956.

“Provided that such deemed recognized stock exchanges shall not carry out any activity other than the activities of assisting, regulating or controlling the business of buying, selling or dealing in commodity derivatives till the said deemed recognized stock exchanges are specifically permitted by the Securities and Exchange Board of India:

Provided further that a person buying or selling or otherwise dealing in commodity derivatives as a commodity derivatives broker, or such other intermediary who may be associated with the commodity derivatives market, immediately before the transfer and vesting of rights and assets to the Securities and Exchange Board of India for which no registration certificate was necessary prior to such transfer, may continue to do so for a period of three months from such transfer or, if he has made an application for such registration within the said period of three months, till the disposal of such application.”.

(2) The Securities and Exchange Board of India (herein referred to as the Security Board) may provide such deemed exchanges, adequate time to comply with the Securities Contracts Act and any regulations, rules, guidelines or like instruments made under the said Act.

(3) The bye-laws, circulars, or any like instrument made by a recognised association under the Forward Contracts Act shall continue to be applicable for a period of one year from the date on which that Act is repealed, or till such time as notified by the Security Board, as if the Forward Contracts Act had not been repealed, whichever is earlier.

(4) All rules, directions, guidelines, instructions, circulars, or any like instruments, made by the Commission or the Central Government applicable to recognised associations under the Forward Contracts Act shall continue to remain in force for a period of one year from the date on which that Act is repealed, or till such time as notified by the Security Board, whichever is earlier, as if the Forward Contracts Act had not been repealed.

(5) In addition to the powers under the Securities Contracts Regulation Act, the Security Board and the Central Government shall exercise all powers of the Commission and the Central Government with respect to recognised associations, respectively, on such deemed exchanges, for a period of one year as if the Forward Contracts Act had not been repealed.”.

132. After section 29 of the Forward Contracts Act, the following sections shall be inserted, namely:—

Insertion of new sections 29A and 29B.

74 of 1952.

“29A.(1) The Forward Contracts (Regulation) Act, 1952 is hereby repealed.

Repeal and savings.

(2) On and from the date of repeal of Forward Contracts Act—

(a) the rules and regulations framed by the Central Government and the Commission under the Forward Contracts Act, shall stand repealed;

(b) all authorities and entities established by the Central Government under the Forward Contracts Act, including the Commission and the Advisory Council established under section 25 of that Act, shall stand dissolved;

(c) anything done or any action taken or purported to have been done or taken including any inspection, order, penalty, proceeding or notice made, initiated or issued or any confirmation or declaration made or any licence, permission, authorisation or exemption granted, modified or revoked, or any document or instrument executed, or any direction given under the Act repealed in sub-section (1), shall be continued or enforced by the Security Board, as if that Act had not been repealed;

(d) all offences committed, and existing proceedings with respect to offences which may have been committed under the Forward Contracts Act, shall continue to be governed by the provisions of that Act, as if that Act had not been repealed;

(e) a fresh proceeding related to an offence under the Forward Contracts Act, may be initiated by the Security Board under that Act within a period of three years from the date on which that Act is repealed and be proceeded with as if that Act had not been repealed;

(f) no court shall take cognizance of any offence under the Forward Contracts Act from the date on which that Act is repealed, except as provided in clauses (d) and (e);

10 of 1897.

(g) clauses (d), (e) and (f) shall not be held to or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal to matters not covered under these sub-sections.

29B. (1) On the date on which the Forward Contracts Act is repealed, the undertaking shall be transferred, and vest with the Securities and Exchange Board of India.

Transfer and vesting of undertaking of Commission.

(2) If there is any existing proceeding or cause of action against the Commission in relation to the undertaking on the date on which the Forward Contracts Act is repealed, such proceeding or cause of action may be continued and enforced by or against the Security Board.

(3) The concessions, privileges, benefits and exemptions including any benefits and exemptions with regard to the payment of any tax, duty and cess granted to the Commission with respect to its undertaking shall be transferred to the Security Board on the date on which the Forward Contracts Act is repealed.

(4) Every employee holding any office (excluding members of the Commission) under the Commission immediately before the date on which the Forward Contracts Act is repealed, will hold office in the Central Government or the Security Board, as the Central Government may notify in the Official Gazette, for the same tenure and on the same terms and conditions of service as such employee would have held such office if the Commission had not been dissolved:

Provided that where the Central Government notifies that an employee of the Commission shall continue as an employee of the Central Government under the foregoing provision, the Central Government may, at the request of the Security Board, depute such employee to the Security Board, for a period not exceeding two years from the date on which the Forward Contracts Act is repealed.

(5) Within six months from the date on which the Forward Contracts Act is repealed, an employee of the Commission opting not to be an employee of the Central Government or the Security Board, as the case may be, shall communicate such decision to the Central Government or Security Board, as applicable.

(6) Nothing contained in any other law in force shall entitle any employee to any compensation for the loss of office due to the repeal of the Forward Contracts Act and the consequent dissolution of the Commission, and no such claim shall be entertained by any court, tribunal or other authority.

(7) The members of the Commission appointed by the Central Government under section 3 of the Forward Contracts Act, shall cease to hold office from the date the Forward Contracts Act is repealed.

(8) The members of the Commission shall not be entitled to any compensation for the loss of office due to the repeal of the Forward Contracts Act and the consequent dissolution of the Commission or for the premature termination of any contract of management entered into by such member with the Commission, and no such claim shall be entertained by any court, tribunal or other authority.

(9) The transfer and vesting of the undertaking shall not be liable to the payment of any stamp duty under the Indian Stamp Act, 1899 or any applicable stamp duties under state laws.” 2 of 1899.

PART II

AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

Commencement
and
amendment of
Act 42 of
1956.

Amendment
of section 2.

133. [A] The provisions of this Part shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different provisions of this Part.

[B] In the Securities Contracts (Regulation) Act, 1956 (herein referred to as the Securities Contracts Act), in section 2,— 42 of 1956.

(i) in clause (ac), after sub-clause (B), the following sub-clauses shall be inserted, namely:—

“(C) commodity derivatives; and

(D) such other instruments as may be declared by the Central Government to be derivatives;”;

(ii) after clause (b), the following clauses shall be inserted, namely:—

‘(bb) “goods” mean every kind of movable property other than actionable claims, money and securities;

(bc) “commodity derivative” means a contract –

(i) for the delivery of such goods, as may be notified by the Central Government in the Official Gazette, and which is not a ready delivery contract; or

(ii) for differences, which derives its value from prices or indices of prices of such underlying goods or activities, services, rights, interests and events, as may be notified by the Central Government, in consultation with the Board, but does not include securities as referred to in sub-clauses (A) and (B) of clause (ac);’;

(iii) after clause (c), the following clause shall be inserted, namely:—

‘(ca) “non-transferable specific delivery contract” means a specific delivery contract, the rights or liabilities under which or under any delivery order, railway receipt, bill of lading, warehouse receipt or any other documents of title relating thereto are not transferable;’;

(iv) after clause (e), the following clause shall be inserted, namely:—

‘(ea) “ready delivery contract” means a contract which provides for the delivery of goods and the payment of a price therefor, either immediately, or within such period not exceeding eleven days after the date of the contract and subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in respect of any goods, the period under such contract not being capable of extension by the mutual consent of the parties thereto or otherwise:

Provided that where any such contract is performed either wholly or in part;

(I) by realisation of any sum of money being the difference between the contract rate and the settlement rate or clearing rate or the rate of any offsetting contract; or

(II) by any other means whatsoever, and as a result of which the actual tendering of the goods covered by the contract or payment of the full price therefor is dispensed with, then such contract shall not be deemed to be a ready delivery contract;’;

(v) after clause (h), the following clause shall be inserted, namely:—

‘(ha) “specific delivery contract” means a commodity derivative which provides for the actual delivery of specific qualities or types of goods during a specified future period at a price fixed thereby or to be fixed in the manner thereby agreed and in which the names of both the buyer and the seller are mentioned;’;

(vi) after clause (j), the following clause shall be inserted, namely:—

‘(k) “transferable specific delivery contract” means a specific delivery contract which is not a non-transferable specific delivery contract and which is subject to such conditions relating to its transferability as the Central Government may by notification in the Official Gazette, specify in this behalf.’.

Amendment
of section
18A.

134. In section 18A of the Securities Contracts Act,—

(i) in clause (b), for the words “stock exchange,” the words “stock exchange; or” shall be substituted;

(ii) after clause (b) as so amended, and after the long line, the following clause shall be inserted, namely:—

“(c) between such parties and on such terms as the Central Government may, by notification in the Official Gazette, specify.”.

Insertion of
new section
30A.

135. After section 30 of the Securities Contracts Act, the following section shall be inserted, namely:—

Special
provisions
related to
commodity
derivatives.

“30A. (1) Nothing contained in this Act shall apply to non-transferable specific delivery contracts:

Provided that no person shall organise or assist in organising or be a member of any association in any area to which the provisions of section 13 have been made applicable (other than a stock exchange) which provides facilities for the performance of any non-transferable specific delivery contract by any party thereto without having to make or receive actual delivery to or from the other party to the contract or to or from any other party named in the contract.

(2) Where in respect of any area, the provisions of section 13 have been made applicable in relation to commodity derivatives for the sale or purchase of any goods or class of goods, the Central Government may, by notification, declare that in the said area or any part thereof as may be specified in the notification all or any of the provisions of this Act shall not apply to transferable specific delivery contracts for the sale or purchase of the said goods or class of goods either generally, or to any class of such contracts in particular.

(3) Notwithstanding anything contained in sub-section (1), if the Central Government is of the opinion that in the interest of the trade or in the public interest it is expedient to regulate and control non-transferable specific delivery contracts in any area, it may, by notification in the Official Gazette, declare that all or any of the provisions of this Act shall apply to such class or classes of non-transferable specific delivery contracts in such area in respect of such goods or class of goods as may be specified in the notification, and may also specify the manner in which and the extent to which all or any of the said provisions shall so apply.”.

PART III

AMENDMENT TO THE FINANCE (NO. 2) ACT, 1998

Amendment
of Second
Schedule.

136. In the Finance (No.2) Act, 1998, in the Second Schedule, for the entry in column (3), the entry “Rupees eight per litre” shall be substituted. 21 of 1998.

PART IV

AMENDMENT TO THE FINANCE ACT, 1999

Amendment
of Second
Schedule.

137. In the Finance Act, 1999, in the Second Schedule, for the entry in column (3), the entry “Rupees eight per litre” shall be substituted. 27 of 1999.

PART V

AMENDMENTS TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999

Commencement
and
amendment of
Act 42 of
1999.

138. [4] The provisions of this Part shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different provisions of this Part.

42 of 1999.

[B] In the Foreign Exchange Management Act, 1999 (herein referred to as the Foreign Exchange Act), in section 2,—

Amendment
of section 2.

(i) after clause (c), the following clause shall be inserted, namely:—

‘(cc) “Authorised Officer” means an officer of the Directorate of Enforcement authorised by the Central Government under section 37A;’;

(ii) after clause (g), the following clause shall be inserted, namely:—

‘(gg) “Competent Authority” means the Authority appointed by the Central Government under sub-section (2) of section 37A;’.

139. In section 6 of the Foreign Exchange Act,—

Amendment
of section 6.

(A) in sub-section (2),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) any class or classes of capital account transactions, involving debt instruments, which are permissible;”;

(ii) after clause (b), the following clause shall be inserted, namely:—

“(c) any conditions which may be placed on such transactions;”;

(iii) for the proviso, the following proviso shall be substituted, namely:—

“Provided that the Reserve Bank or the Central Government shall not impose any restrictions on the drawal of foreign exchange for payment due on account of amortisation of loans or for depreciation of direct investments in the ordinary course of business.”;

(B) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) The Central Government may, in consultation with the Reserve Bank, prescribe—

(a) any class or classes of capital account transactions, not involving debt instruments, which are permissible;

(b) the limit up to which foreign exchange shall be admissible for such transactions; and

(c) any conditions which may be placed on such transactions.”;

(C) sub-section (3) shall be omitted;

(D) after sub-section (6), the following sub-section shall be inserted, namely:—

‘(7) For the purposes of this section, the term “debt instruments” shall mean, such instruments as may be determined by the Central Government in consultation with the Reserve Bank.’.

140. In section 13 of the Foreign Exchange Act, after sub-section (1), the following sub-sections shall be inserted, namely:—

Amendment
of section 13.

“(1A) If any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, of the aggregate value exceeding the threshold prescribed under the proviso to sub-section (1) of section 37A, he shall be liable to a penalty up to three times the sum involved in such contravention and confiscation of the value equivalent, situated in India, the Foreign exchange, foreign security or immovable property.

(1B) If the Adjudicating Authority, in a proceeding under sub-section (1A) deems fits, he may, after recording the reasons in writing, recommend for the initiation of

prosecution and if the Director of Enforcement is satisfied, he may, after recording the reasons in writing, may direct prosecution by filing a Criminal Complaint against the guilty person by an officer not below the rank of Assistant Director.

(1C) If any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, of the aggregate value exceeding the threshold prescribed under the proviso to sub-section (1) of section 37A, he shall be, in addition to the penalty imposed under sub-section (1A), punishable with imprisonment for a term which may extend to five years and with fine.

(1D) No court shall take cognizance of an offence under sub-section (1C) of section 13 except as on complaint in writing by an officer not below the rank of Assistant Director referred to in sub-section (1B)."

Amendment
of section 18.

141. In section 18 of the Foreign Exchange Act, after the words "Adjudicating Authorities", the words "Competent Authorities" shall be inserted.

Insertion of
new section
37A.

142. After section 37 of the Foreign Exchange Act, the following section shall be inserted, namely:—

Special
provisions
relating to
assets held
outside India
in
contravention
of section 4.

"37A. (1) Upon receipt of any information or otherwise, if the Authorised Officer prescribed by the Central Government has reason to believe that any foreign exchange, foreign security, or any immovable property, situated outside India, is suspected to have been held in contravention of section 4, he may after recording the reasons in writing, by an order, seize value equivalent, situated within India, of such foreign exchange, foreign security or immovable property:

Provided that no such seizure shall be made in case where the aggregate value of such foreign exchange, foreign security or any immovable property, situated outside India, is less than the value as may be prescribed.

(2) The order of seizure along with relevant material shall be placed before the Competent Authority, appointed by the Central Government, who shall be an officer not below the rank of Joint Secretary to the Government of India by the Authorised Officer within a period of thirty days from the date of such seizure.

(3) The Competent Authority shall dispose of the petition within a period of one hundred eighty days from the date of seizure by either confirming or by setting aside such order, after giving an opportunity of being heard to the representatives of the Directorate of Enforcement and the aggrieved person.

Explanation.— While computing the period of one hundred eighty days, the period of stay granted by court shall be excluded and a further period of at least thirty days shall be granted from the date of communication of vacation of such stay order.

(4) The order of the Competent Authority confirming seizure of equivalent asset shall continue till the disposal of adjudication proceedings and thereafter, the Adjudicating Authority shall pass appropriate directions in the adjudication order with regard to further action as regards the seizure made under sub-section (1):

Provided that if, at any stage of the proceedings under this Act, the aggrieved person discloses the fact of such foreign exchange, foreign security or immovable property and brings back the same into India, then the Competent Authority or the Adjudicating Authority, as the case may be, on receipt of an application in this regard from the aggrieved person, and after affording an opportunity of being heard to the aggrieved person and representatives of the Directorate of Enforcement, shall pass an appropriate order as it deems fit, including setting aside of the seizure made under sub-section (1).

(5) Any person aggrieved by any order passed by the Competent Authority may prefer an appeal to the Appellate Tribunal.

(6) Nothing contained in section 15 shall apply to this section."

143. In section 46 of the Foreign Exchange Act, in sub-section (2),—Amendment
of section 46

(i) after clause (a), the following clauses shall be inserted, namely:—

“(aa) the instruments which are determined to be debt instruments under sub-section (7) of section 6;

“(ab) the permissible classes of capital account transactions in accordance with sub-section (2A) of section 6, the limits of admissibility of foreign exchange, and the prohibition, restriction or regulation of such transactions;”;

(ii) after clause (g), the following clause shall be inserted, namely:—

“(gg) the aggregate value of foreign exchange referred to in sub-section (1) of section 37A;”.

144. In section 47 of the Foreign Exchange Act,—Amendment
of section 47

(A) in sub-section (2),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) the permissible classes of capital account transactions involving debt instruments determined under sub-section (7) of section 6, the limits of admissibility of foreign exchange for such transactions, and the prohibition, restriction or regulation of such capital account transactions under section 6;”;

(ii) after clause (g), the following clause shall be inserted, namely:—

“(ga) export, import or holding of currency or currency notes;”;

(B) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) All regulations made by the Reserve Bank before the date on which the provisions of this section are notified under section 6 and section 47 of this Act on capital account transactions, the regulation making power in respect of which now vests with the Central Government, shall continue to be valid, until amended or rescinded by the Central Government.”.

PART VI

AMENDMENTS TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

15 of 2003.

145. In the Prevention of Money-laundering Act, 2002 (herein referred to as the Money-laundering Act), in section 2, in sub-section (1),—Amendment
of section 2.

(i) in clause (u), after the words “or the value of any such property”, the words “or where such property is taken or held outside the country, then the property equivalent in value held within the country” shall be inserted;

(ii) in clause (y), in sub-clause (ii), for the words “thirty lakh rupees”, the words “one crore rupees” shall be substituted.

146. In section 5 of the Money-laundering Act, in sub-section (1), in the second proviso, for the word, brackets and letter “clause (b)”, the words “first proviso” shall be substituted.Amendment
of section 5.**147. In section 8 of the Money-laundering Act,—**Amendment
of section 8.

(i) in sub-section (3), in clause (b), for the words “Adjudicating Authority”, the words “Special Court” shall be substituted;

(ii) after sub-section (7), the following sub-section shall be inserted, namely:—

“(8) Where a property stands confiscated to the Central Government under sub-section (5), the Special Court, in such manner as may be prescribed, may also direct the Central Government to restore such confiscated property or part thereof of a claimant with a legitimate interest in the property, who may have suffered a quantifiable loss as a result of the offence of money laundering:

Provided that the Special Court shall not consider such claim unless it is satisfied that the claimant has acted in good faith and has suffered the loss despite having taken all reasonable precautions and is not involved in the offence of money laundering.”.

Amendment
of section 20.

148. In section 20 of the Money-laundering Act,—

(i) in sub-section (5), for the words “the Court or the Adjudicating Authority, as the case may be”, the words “Special Court” shall be substituted;

(ii) in sub-section (6),—

(a) for the word “Court”, the words “Special Court” shall be substituted;

(b) after the words “ninety days from the date of”, the words “receipt of” shall be inserted.

Amendment
of section 21.

149. In section 21 of the Money-laundering Act,—

(i) in sub-section (5), for the words, brackets and figures “under sub-section (5) or sub-section (7) of section 8”, the words, brackets, figures and letters “or release under sub-section (5) or sub-section (6) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60” shall be substituted;

(ii) in sub-section (6), —

(a) for the words, brackets, figures and letters “under sub-section (6) of section 8 or by the Adjudicating Authority under section 58B or sub-section (2A) of section 60”, the words, brackets and figures “Adjudicating Authority under sub-section (5) of section 21” shall be substituted;

(b) after the words “ninety days from the date of”, the words “receipt of” shall be inserted.

Amendment
of section 60.

150. In section 60 of the Money-laundering Act, in sub-section (2A), for the words “Adjudicating Authority”, the words “Special Court” shall be substituted.

Amendment
of Schedule.

151. In the Schedule to the Money-laundering Act, after Part A, the following Part shall be inserted, namely:—

“PART B

OFFENCE UNDER THE CUSTOMS ACT, 1962

Section	Description of offence
132	False declaration, false documents, etc.”.

PART VII

AMENDMENT TO THE FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2003

Amendment
of section 4.

152. In the Fiscal Responsibility and Budget Management Act, 2003, in section 4, for the figures, letters and word “31st March, 2015”, wherever they occur, the figures, letters and word “31st March, 2018” shall be substituted. 39 of 2003.

PART VIII

AMENDMENTS TO THE FINANCE (NO. 2) ACT, 2004

23 of 2004.

153. In the Finance (No. 2) Act, 2004 (herein referred to as 2004 Act), in Chapter VI, section 95 shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint.

Omission of section 95.

154. In section 97 of the 2004 Act, with effect from the 1st day of June, 2015,—

Amendment of section 97.

(i) after clause (5A), the following clause shall be inserted, namely:—

“(5AA) “initial offer” shall have the meaning assigned to it in,—

15 of 1992.

(i) clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, in case of a business trust, being a real estate investment trust;

15 of 1992.

(ii) clause (v) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, in case of a business trust, being an infrastructure investment trust;’;

(ii) in clause (13), after sub-clause (aa), the following sub-clause shall be inserted, namely:—

43 of 1961.

“(ab) sale of unlisted units of a business trust by any holder of such units which were acquired in consideration of a transfer referred to in clause (xvii) of section 47 of the Income-tax Act, 1961 under an offer for sale to the public included in an initial offer and where such units are subsequently listed on a recognised stock exchange; or”.

155. In section 98 of the 2004 Act, in the Table, after serial number 6 and entries relating thereto, the following serial number and entries shall be inserted, namely:—

Amendment of section 98.

Sl. No.	Taxable securities transaction	Rate	Payable by
1	2	3	4
“7	Sale of unlisted units of a business trust under an offer for sale referred to in sub-clause (ab) of clause (13) of section 97.	0.2 per cent.	Seller”;

156. In section 100 of the 2004 Act,—

Amendment of section 100.

(i) after sub-section (2A), the following sub-section shall be inserted, namely:—

“(2B) The lead merchant banker appointed by the business trust in respect of an initial offer shall collect the securities transaction tax from every person who enters into a taxable securities transaction referred to in sub-clause (ab) of clause (13) of section 97 at the rates specified in section 98.”;

(ii) in sub-section (3),—

(A) after the word, brackets, figure and letter “sub-section (2A)”, the words, brackets, figure and letter “or sub-section (2B)” shall be inserted;

(B) after the words “an initial public offer”, the words “or an initial offer” shall be inserted;

(iii) in sub-section (4), after the words “an initial public offer”, the words “or an initial offer” shall be inserted.

Amendment
of section
101.

157. In section 101 of the 2004 Act, in sub-section (1),—

(A) after the words “an initial public offer”, the words “or an initial offer” shall be inserted;

(B) for the words “ being sale of units to such Mutual Fund during such financial year” occurring at the end, the words “during such financial year, being sale of units to such Mutual Fund or sale of unlisted shares under an initial public offer or sale of unlisted units of business trust under an initial offer, in respect of which such lead merchant banker is appointed” shall be substituted.

PART IX

AMENDMENT TO THE FINANCE ACT, 2005

Amendment
of Seventh
Schedule.

158. In the Finance Act, 2005, in the Seventh Schedule, the sub-heading 2202 10 and 18 of 2005. the entries relating thereto shall be omitted.

PART X

AMENDMENT TO THE FINANCE ACT, 2007

Omission of
section 140.

159. In the Finance Act, 2007, in Chapter VI, section 140 shall be omitted with effect 22 of 2007. from such date as the Central Government may, by notification in the Official Gazette, appoint.

PART XI

AMENDMENT TO THE FINANCE ACT, 2010

Amendment
of Tenth
Schedule.

160. In the Finance Act, 2010, in the Tenth Schedule, for the entry in column (4) 14 of 2010. occurring against all the headings, the entry “Rs. 300 per tonne” shall be substituted.

THE FIRST SCHEDULE

(See section 2)

PART I**INCOME-TAX***Paragraph A*

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 2,50,000 | Nil; |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 25,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,25,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 3,00,000 | Nil; |
| (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 3,00,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 20,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,20,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 5,00,000 | Nil; |
| (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (3) where the total income exceeds Rs. 10,00,000 | Rs. 1,00,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | | |
|-----|---|--|
| (1) | where the total income does not exceed Rs.10,000 | 10 per cent. of the total income; |
| (2) | where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 | Rs.1,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs.10,000; |
| (3) | where the total income exceeds Rs. 20,000 | Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

- | | |
|--------------------------------------|-----------------------------------|
| I. In the case of a domestic company | 30 per cent. of the total income; |
|--------------------------------------|-----------------------------------|

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

50 per cent.;

(ii) on the balance, if any, of the total income

40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every company, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company—

(a) having a total income exceeding one crore rupees, but not exceeding ten crore rupees, at the rate of five per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of ten per cent. of such income-tax;

(ii) in the case of every company other than a domestic company—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax;

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D, 194LBA and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

	<i>Rate of income-tax</i>
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than "Interest on securities"	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on income by way of insurance commission	10 per cent.;
(v) on income by way of interest payable on—	10 per cent.;
(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	

	<i>Rate of income-tax</i>
(C) any security of the Central or State Government;	
(vi) on any other income	10 per cent.;
(b) where the person is not resident in India—	
(i) in the case of a non-resident Indian—	
(A) on any investment income	20 per cent.;
(B) on income by way of long-term capital gains referred to in section 115E or sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(C) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(D) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(E) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(F) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(G) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(F)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(H) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(I) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(J) on income by way of winnings from horse races	30 per cent.;
(K) on the whole of the other income	30 per cent.;
(ii) in the case of any other person—	
(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter	10 per cent.;

Rate of income-tax

included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	
(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(F) on income by way of winnings from horse races	30 per cent.;
(G) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(H) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(I) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(J) on the whole of the other income	30 per cent.
In the case of a company—	
(a) where the company is a domestic company—	
(i) on income by way of interest other than “Interest on securities”	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on any other income	10 per cent.;
(b) where the company is not a domestic company—	
(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(ii) on income by way of winnings from horse races	30 per cent.;
(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(iv) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved	

	<i>Rate of income-tax</i>
by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vii) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(viii) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent.;
(ix) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(x) on any other income	40 per cent.

Explanation.— For the purpose of item 1(b)(i) of this Part, “investment income” and “non-resident Indian” shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for purposes of the Union, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act or co-operative society or firm or local authority, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(ii) item 2 of this Part, shall be increased by a surcharge, for purposes of the Union, in the case of every company other than a domestic company, calculated,—

(a) at the rate of two per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees; and

(b) at the rate of five per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD “SALARIES” AND COMPUTING “ADVANCE TAX”

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, income chargeable under the head “Salaries” under section 192 of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” [not being “advance tax” in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such “advance tax” in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BB or section 115BBA or section 115BBC or section 115BBD or section 115BBE or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

(RATES OF INCOME-TAX)

- | | |
|---|--|
| (1) where the total income does not exceed Rs. 2,50,000 | <i>Nil</i> ; |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 25,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |

- (4) where the total income exceeds Rs. 10,00,000 Rs. 1,25,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 3,00,000 Nil;
- (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 10 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
- (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 Rs. 20,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
- (4) where the total income exceeds Rs. 10,00,000 Rs. 1,20,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 5,00,000 Nil;
- (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
- (3) where the total income exceeds Rs. 10,00,000 Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purpose of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 10,000 10 per cent. of the total income;
- (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
- (3) where the total income exceeds Rs. 20,000 Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income

30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income

30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company

30 per cent. of the total income;

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government

50 per cent.;

(ii) on the balance, if any, of the total income

40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

(ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV

[See section 2(13)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head “Profits and gains of business or profession” and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from house property” and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2015, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2007, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2015.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2016, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015, a loss, then, for the purposes of sub-section (10) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2016.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2007 (22 of 2007) or of the First Schedule to the Finance Act, 2008 (18 of 2008) or of the First Schedule to the Finance (No. 2) Act, 2009 (33 of 2009) or of the First Schedule to the Finance Act, 2010 (14 of 2010) or of the First Schedule to the Finance Act, 2011 (8 of 2011) or of the First Schedule to the Finance Act, 2012 (23 of 2012) or of the First Schedule to the Finance Act, 2013 (17 of 2013) or of the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 9.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 91)

In the First Schedule to the Customs Tariff Act,—

- (1) in Chapter 27, for the entry in column (4), occurring against tariff item 2701 12 00, the entry “10%” shall be substituted;
- (2) in Chapter 72, for the entry in column (4) occurring against all the tariff items, the entry “15%” shall be substituted;
- (3) in Chapter 73, for the entry in column (4) occurring against all the tariff items, the entry “15%” shall be substituted;
- (4) in Chapter 87, for the entry in column (4) occurring against all the tariff items of headings 8702 and 8704, the entry “40%” shall be substituted.

THE THIRD SCHEDULE

(See section 104)

Notification No. and date	Amendment,					Period of effect of amendment
(1)	(2)					(3)
G.S.R.163(E), dated the 17th March, 2012[12/2012-Central Excise, dated the 17th March, 2012] as amended <i>vide</i> G.S.R.75(E), dated the 3rd February, 2014 [03/2014-Central Excise, dated the 3rd February, 2014]	In the said notification, in the Table, after serial number 205 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—					17th day of March, 2012 to 2nd February, 2014 (both days inclusive)
	(1)	(2)	(3)	(4)	(5)	
	“205A	7302 or 8530	Railway or tramway track construction material of iron and steel.	12%	49”;	
	<p><i>Explanation.</i>—For the purposes of this exemption, the value of the goods shall be the value of goods excluding the value of rails.</p>					

THE FOURTH SCHEDULE

(See section 105)

In the Third Schedule to the Central Excise Act,—

(i) after serial number 15 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—

S.No.	Heading, sub-heading or tariff item	Description of goods
(1)	(2)	(3)
“15A.	2101 20	Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate”;

(ii) after serial number 23 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—

(1)	(2)	(3)
“23A.	2202	All goods”;

(iii) against serial number 94,—

(a) for the entry in column (2), the entry “Chapter 85 or Chapter 94” shall be substituted;

(b) in column (3), for the words “except lamps for automobiles”, the words, figures, brackets and letters “falling under heading 8539 (except lamps for automobiles), LED lights or fixtures including LED lamps falling under Chapter 85 or heading 9405” shall be substituted.

THE FIFTH SCHEDULE
(See section 106)

In the First Schedule to the Central Excise Tariff Act,—

(i) in Chapter 4, for the entry in column (4) occurring against tariff items 0402 91 10 and 0402 99 20, the entry “12.5%” shall be substituted;

(ii) in Chapter 11,—

(a) for the entry in column (4) occurring against all the tariff items of heading 1107, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of heading 1108 (except tariff item 1108 20 00), the entry “12.5%” shall be substituted;

(iii) in Chapter 13, for the entry in column (4) occurring against all the tariff items (except tariff item 1302 11 00), the entry “12.5%” shall be substituted;

(iv) in Chapter 15,—

(a) for the entry in column (4) occurring against tariff item 1517 10 22, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 1520 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 1521 and 1522, the entry “12.5%” shall be substituted;

(v) in Chapter 17, for the entry in column (4) occurring against all the tariff items of headings 1701 (except tariff items 1701 13 20 and 1701 14 20), 1702 (except tariff item 1702 90 10) and 1704, the entry “12.5%” shall be substituted;

(vi) in Chapter 18, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(vii) in Chapter 19,—

(a) for the entry in column (4) occurring against tariff items 1901 20 00, 1901 90 10 and 1901 90 90, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 1902 40 10 and 1902 40 90, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of heading 1904, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff items 1905 32 11, 1905 32 19 and 1905 32 90, the entry “12.5%” shall be substituted;

(viii) in Chapter 21,—

(a) for the entry in column (4) occurring against all the tariff items of heading 2101 (except tariff items 2101 30 10, 2101 30 20 and 2101 30 90), the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of headings 2102, 2103 and 2104, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of heading 2106 (except tariff items 2106 90 20 and 2106 90 92), the entry “12.5%” shall be substituted;

(ix) in Chapter 22,—

(a) for the entry in column (4) occurring against all the tariff items of heading 2201 (except tariff item 2201 90 10), the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 2202 10 10, 2202 10 20 and 2202 10 90, the entry “18%” shall be substituted;

(c) for the entry in column (4) occurring against tariff items 2202 90 30 and 2202 90 90, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 2207 20 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of heading 2209, the entry “12.5%” shall be substituted;

(x) in Chapter 24,—

(a) for the entry in column (4) occurring against tariff items 2402 10 10 and 2402 10 20, the entry “12.5% or Rs.3375 per thousand, whichever is higher” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 2402 20 10, the entry “Rs. 1280 per thousand” shall be substituted;

(c) for the entry in column (4) occurring against tariff item 2402 20 20, the entry “Rs. 2335 per thousand” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 2402 20 30, the entry “Rs. 1280 per thousand” shall be substituted;

(e) for the entry in column (4) occurring against tariff item 2402 20 40, the entry “Rs.1740 per thousand” shall be substituted;

(f) for the entry in column (4) occurring against tariff item 2402 20 50, the entry “Rs. 2335 per thousand” shall be substituted;

(g) for the entry in column (4) occurring against tariff item 2402 20 90, the entry “Rs. 3375 per thousand” shall be substituted;

(h) for the entry in column (4) occurring against tariff item 2402 90 10, the entry “Rs. 3375 per thousand” shall be substituted;

(i) for the entry in column (4) occurring against tariff items 2402 90 20 and 2402 90 90, the entry “12.5% or Rs. 3375 per thousand, whichever is higher” shall be substituted;

(j) for the entry in column (4) occurring against tariff item 2403 99 70, the entry “Rs.70 per kg.” shall be substituted;

(xi) in Chapter 25,—

(a) for the entry in column (4) occurring against tariff item 2503 00 10, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 2515 12 20 and 2515 12 90, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against tariff item 2523 10 00, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 2523 21 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of sub-heading 2523 29, the entry “Rs.1000 per tonne” shall be substituted;

(f) for the entry in column (4) occurring against tariff items 2523 30 00, 2523 90 10, 2523 90 20 and 2523 90 90, the entry “12.5%” shall be substituted;

(xii) in Chapter 26, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xiii) in Chapter 27, for the entry in column (4) occurring against tariff item 2710 19 30, the entry “14% + Rs. 15 per litre” shall be substituted;

(xiv) in Chapter 28, for the entry in column (4) occurring against all the tariff items (except tariff items 2804 40 10, 2844 30 22, 2845 10 00, 2845 90 10 and 2853 00 30), the entry “12.5%” shall be substituted;

(xv) in Chapter 29, for the entry in column (4) occurring against all the tariff items (except tariff item 2933 41 00), the entry “12.5%” shall be substituted;

(xvi) in Chapter 31, for the entry in column (4) occurring against all the tariff items of headings 3102, 3103, 3104 and 3105, the entry “12.5%” shall be substituted;

(xvii) in Chapter 32, for the entry in column (4) occurring against all the tariff items (except tariff items 3215 90 10 and 3215 90 20), the entry “12.5%” shall be substituted;

(xviii) in Chapter 33, for the entry in column (4) occurring against all the tariff items (except tariff item 3307 41 00), the entry “12.5%” shall be substituted;

(xix) in Chapter 34, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xx) in Chapter 35, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxi) in Chapter 36, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxii) in Chapter 37, for the entry in column (4) occurring against all the tariff items of headings 3701, 3702, 3703, 3704 and 3707, the entry “12.5%” shall be substituted;

(xxiii) in Chapter 38, for the entry in column (4) occurring against all the tariff items (except tariff items 3824 50 10, 3825 10 00, 3825 20 00 and 3825 30 00), the entry “12.5%” shall be substituted;

(xxiv) in Chapter 39,—

(a) for the entry in column (4) occurring against all the tariff items (except tariff items 3916 10 20, 3916 20 11, 3916 20 91, 3916 90 10, 3923 21 00, 3923 29 10 and 3923 29 90), the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against the tariff items 3923 21 00, 3923 29 10 and 3923 29 90, the entry “18%” shall be substituted;

(xxv) in Chapter 40,—

(a) for the entry in column (4) occurring against all the tariff items of heading 4002, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 4003 00 00 and 4004 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 4005 to 4007, 4008 (except tariff items 4008 19 10, 4008 21 10 and 4008 29 20) and 4009 to 4011, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff items 4012 90 10 to 4012 90 90, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 4013, 4014 (except tariff items 4014 10 10 and 4014 10 20), 4015, 4016 and 4017, the entry “12.5%” shall be substituted;

(xxvi) in Chapter 42, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxvii) in Chapter 43, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxviii) in Chapter 44,—

(a) for the entry in column (4) occurring against all the tariff items of headings 4401, 4403, 4404, 4406, 4408 (except tariff items 4408 10 30, 4408 31 30, 4408 39 30 and 4408 90 20) and 4409 to 4412, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 4413 00 00 and 4414 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 4415 and 4416, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 4417 00 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 4418 to 4421, the entry “12.5%” shall be substituted;

(xxix) in Chapter 45, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxx) in Chapter 47, for the entry in column (4) occurring against all the tariff items of heading 4707, the entry “12.5%” shall be substituted;

(xxxi) in Chapter 48,—

(a) for the entry in column (4) occurring against all the tariff items of headings 4803, 4806 (except tariff items 4806 20 00 and 4806 40 10), 4809 and 4811, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 4812 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 4813, 4814, 4816, 4818, 4819 (except tariff item 4819 20 10), 4820 to 4822 and 4823 (except tariff item 4823 90 11), the entry “12.5%” shall be substituted;

(xxxii) in Chapter 49, for the entry in column (4) occurring against all the tariff items of heading 4908, the entry “12.5%” shall be substituted;

(xxxiii) in Chapter 50, for the entry in column (4) occurring against all the tariff items of headings 5004 to 5007, the entry “12.5%” shall be substituted;

(xxxiv) in Chapter 51, for the entry in column (4) occurring against all the tariff items of headings 5105 to 5113, the entry “12.5%” shall be substituted;

(xxxv) in Chapter 52, for the entry in column (4) occurring against all the tariff items of headings 5204 to 5212, the entry “12.5%” shall be substituted;

(xxxvi) in Chapter 53, for the entry in column (4) occurring against all the tariff items of headings 5302, 5305, 5306, 5307 (except tariff item 5307 10 90), 5308 (except tariff items 5308 10 10, 5308 10 20 and 5308 10 90), 5309, 5310 and 5311, the entry “12.5%” shall be substituted;

(xxxvii) in Chapter 54, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxxviii) in Chapter 55, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxxix) in Chapter 56, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xl) in Chapter 57, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xli) in Chapter 58, for the entry in column (4) occurring against all the tariff items of headings 5801, 5802, 5803, 5804 (except tariff item 5804 30 00), 5806 and 5808 to 5811, the entry "12.5%" shall be substituted;

(xlii) in Chapter 59, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xliii) in Chapter 60, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xliv) in Chapter 61, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xlv) in Chapter 62, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xlii) in Chapter 63,—

(a) for the entry in column (4) occurring against all the tariff items of headings 6301 to 6307, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 6308 00 00, the entry "12.5%" shall be substituted;

(xlvii) in Chapter 64, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(xlviii) in Chapter 65, for the entry in column (4) occurring against all the tariff items (except tariff item 6503 00 00), the entry "12.5%" shall be substituted;

(xlix) in Chapter 66, for the entry in column (4) occurring against all the tariff items of heading 6603, the entry "12.5%" shall be substituted;

(l) in Chapter 67, for the entry in column (4) occurring against all the tariff items of headings 6702 to 6704, the entry "12.5%" shall be substituted;

(li) in Chapter 68, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lii) in Chapter 69, for the entry in column (4) occurring against all the tariff items (except tariff items 6901 00 10 and 6904 10 00), the entry "12.5%" shall be substituted;

(liii) in Chapter 70, for the entry in column (4) occurring against all the tariff items (except tariff items 7012 00 00, 7018 10 10, 7018 10 20, 7020 00 11, 7020 00 12 and 7020 00 21), the entry "12.5%" shall be substituted;

(liv) in Chapter 71,—

(a) for the entry in column (4) occurring against all the tariff items of headings 7101, 7103, 7104 (except tariff item 7104 10 00), 7105 and 7106, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 7107 00 00, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of heading 7108, the entry "12.5%" shall be substituted;

(d) for the entry in column (4) occurring against tariff item 7109 00 00, the entry "12.5%" shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of heading 7110, the entry "12.5%" shall be substituted;

(f) for the entry in column (4) occurring against tariff item 7111 00 00, the entry "12.5%" shall be substituted;

(g) for the entry in column (4) occurring against all the tariff items of headings 7112 to 7116 and 7118, the entry "12.5%" shall be substituted;

(lv) in Chapter 72, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lvi) in Chapter 73, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lvii) in Chapter 74,—

(a) for the entry in column (4) occurring against all the tariff items of headings 7401 to 7404, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 7405 00 00, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 7406 to 7412, the entry "12.5%" shall be substituted;

(d) for the entry in column (4) occurring against tariff item 7413 00 00, the entry "12.5%" shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 7415, 7418 and 7419, the entry "12.5%" shall be substituted;

(lviii) in Chapter 75, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lix) in Chapter 76, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lx) in Chapter 78, for the entry in column (4) occurring against all the tariff items of headings 7801, 7802, 7804 and 7806, the entry "12.5%" shall be substituted;

(lxi) in Chapter 79, for the entry in column (4) occurring against all the tariff items of headings 7901 to 7905 and 7907, the entry "12.5%" shall be substituted;

(lxii) in Chapter 80, for the entry in column (4) occurring against all the tariff items of headings 8001, 8002, 8003 and 8007, the entry "12.5%" shall be substituted;

(lxiii) in Chapter 81, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lxiv) in Chapter 82, for the entry in column (4) occurring against all the tariff items (except tariff items 8215 10 00, 8215 20 00, 8215 91 00 and 8215 99 00), the entry "12.5%" shall be substituted;

(lxv) in Chapter 83, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lxvi) in Chapter 84, for the entry in column (4) occurring against all the tariff items of headings 8401 to 8423, 8424 (except tariff item 8424 81 00), 8425 to 8431, 8434, 8435, 8438 to 8451, 8452 (except tariff items 8452 10 12, 8452 10 22, 8452 30 10, 8452 30 90, 8452 90 11, 8452 90 19, 8452 90 91 and 8452 90 99), 8453 to 8468, 8469 (except tariff items 8469 00 30 and 8469 00 40), 8470 to 8478, 8479 (except tariff item 8479 89 92), 8480 to 8484, 8486 and 8487, the entry "12.5%" shall be substituted;

(lxvii) in Chapter 85,–

(a) for the entry in column (4) occurring against all the tariff items of headings 8501 to 8519, 8521, 8522, 8523, 8525 to 8533, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 8534 00 00, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 8535 to 8547, the entry "12.5%" shall be substituted;

(d) for the entry in column (4) occurring against tariff item 8548 90 00, the entry "12.5%" shall be substituted;

(lxviii) in Chapter 86,–

(a) for the entry in column (4) occurring against tariff item 8604 00 00, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of headings 8607 and 8608, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against tariff item 8609 00 00, the entry "12.5%" shall be substituted;

(lxix) in Chapter 87,–

(a) for the entry in column (4) occurring against all the tariff items of headings 8701, 8702 (except tariff items 8702 10 11, 8702 10 12, 8702 10 19, 8702 90 11, 8702 90 12 and 8702 90 19), the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff items 8703 10 10 and 8703 90 10, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 8704 (except tariff items 8704 10 90, 8704 31 90, 8704 32 19, 8704 32 90, 8704 90 19 and 8704 90 90) and 8705, the entry "12.5%" shall be substituted;

(d) for the entry in column (4) occurring against tariff items 8706 00 11, 8706 00 19, 8706 00 31, 8706 00 41 and 8706 00 50, the entry "12.5%" shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 8707, 8708 and 8709, the entry "12.5%" shall be substituted;

(f) for the entry in column (4) occurring against tariff item 8710 00 00, the entry "12.5%" shall be substituted;

(g) for the entry in column (4) occurring against all the tariff items of headings 8711, 8712 and 8714 to 8716, the entry "12.5%" shall be substituted;

(lxx) in Chapter 88, for the entry in column (4) occurring against all the tariff items of headings 8802 (except tariff item 8802 60 00) and 8803, the entry "12.5%" shall be substituted;

(lxxi) in Chapter 89,–

(a) for the entry in column (4) occurring against all the tariff items of headings 8903 and 8907, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 8908 00 00, the entry "12.5%" shall be substituted;

(lxxii) in Chapter 90,—

(a) for the entry in column (4) occurring against all the tariff items of headings 9001 (except tariff items 9001 40 10, 9001 40 90 and 9001 50 00), 9002 to 9008, 9010 to 9016, 9017 (except tariff items 9017 20 10, 9017 20 20, 9017 20 30 and 9017-20 90), 9018 and 9019, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 9020 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 9022 to 9032, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 9033 00 00, the entry “12.5%” shall be substituted;

(lxxiii) in Chapter 91, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(lxxiv) in Chapter 92,—

(a) for the entry in column (4) occurring against all the tariff items of headings 9201, 9202 and 9205, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 9206 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 9207 to 9209, the entry “12.5%” shall be substituted;

(lxxv) in Chapter 93,—

(a) for the entry in column (4) occurring against tariff item 9302 00 00, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of heading 9303, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against tariff item 9304 00 00, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against all the tariff items of headings 9305 and 9306, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against tariff item 9307 00 00, the entry “12.5%” shall be substituted;

(lxxvi) in Chapter 94, for the entry in column (4) occurring against all the tariff items (except tariff item 9405 50 10), the entry “12.5%” shall be substituted;

(lxxvii) in Chapter 95, for the entry in column (4) occurring against all the tariff items of headings 9503 to 9508 (except tariff item 9508 10 00), the entry “12.5%” shall be substituted;

(lxxviii) in Chapter 96,—

(a) for the entry in column (4) occurring against all the tariff items of headings 9601 to 9603, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 9604 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 9605, 9606 (except tariff items 9606 21 00, 9606 22 00, 9606 29 10, 9606 29 90 and 9606 30 10) and 9607 to 9608, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 9611 00 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 9612 and 9613, the entry “12.5%” shall be substituted;

(f) for the entry in column (4) occurring against tariff item 9614 00 00, the entry "12.5%" shall be substituted;

(g) for the entry in column (4) occurring against all the tariff items of headings 9616 and 9617, the entry "12.5%" shall be substituted;

(h) for the entry in column (4) occurring against tariff item 9618 00 00, the entry "12.5%" shall be substituted.

THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS) AND IMPOSITION OF TAX ACT 2015

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THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND
ASSETS) AND IMPOSITION OF TAX ACT 2015

AN

ACT

to make provisions to deal with the problem of the Black money that is undisclosed foreign income and assets, the procedure for dealing with such income and assets and to provide for imposition of tax on any undisclosed foreign income and asset held outside India and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Short title,
extent and
commencement.

(2) It extends to the whole of India.

(3) Save as otherwise provided in this Act, it shall come into force on the 1st day of April, 2016.

Definitions.

2. In this Act, unless the context otherwise requires,—

(1) “Appellate Tribunal” means the Appellate Tribunal constituted under section 252 of the Income-tax Act;

(2) “assessee” means a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, by whom tax in respect of undisclosed foreign income and assets, or any other sum of money, is payable under this Act and includes every person who is deemed to be an assessee in default under this Act;

(3) “assessment” includes reassessment;

(4) “assessment year” means the period of twelve months commencing on the 1st day of April every year;

(5) “Board” means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963;

54 of 1963.

(6) “Income-tax Act” means the Income-tax Act, 1961;

43 of 1961.

(7) “participant” means—

(a) a partner in relation to a firm; or

(b) a member in relation to an association of persons or body of individuals;

(8) “prescribed” means prescribed by rules made under this Act;

(9) “previous year” means—

(a) the period beginning with the date of setting up of a business and ending with the date of the closure of the business or the 31st day of March following the date of setting up of such business, whichever is earlier;

(b) the period beginning with the date on which a new source of income comes into existence and ending with the date of closure of the business or the 31st day of March following the date on which such new source comes into existence, whichever is earlier;

(c) the period beginning with the 1st day of the financial year and ending with the date of discontinuance of the business other than business referred to in clause (b) or dissolution of an unincorporated body or liquidation of a company, as the case may be; or

(d) the period of twelve months commencing on the 1st day of April of the relevant year in any other case,

and which immediately precedes the assessment year.

(10) “resident” means a person who is resident in India within the meaning of section 6 of the Income-tax Act;

(11) “undisclosed asset located outside India” means an asset (including financial interest in any entity) located outside India, held by the assessee in his name or in respect of which he is a beneficial owner, and he has no explanation about the source of investment in such asset or the explanation given by him is in the opinion of the Assessing Officer unsatisfactory;

(12) “undisclosed foreign income and asset” means the total amount of undisclosed income of an assessee from a source located outside India and the value of an undisclosed asset located outside India, referred to in section 4, and computed in the manner laid down in section 5;

(13) “unincorporated body” means—

(a) a firm;

(b) an association of persons; or

(c) a body of individuals;

(14) “value of an undisclosed asset” shall have the meaning assigned to it in sub-section (2) of section 3;

(15) all other words and expressions used herein but not defined and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER II

BASIS OF CHARGE

3. (1) There shall be charged on every assessee for every assessment year commencing on or after the 1st day of April, 2016, subject to the provisions of this Act, a tax in respect of his total undisclosed foreign income and asset of the previous year at the rate of thirty per cent. of such undisclosed income and asset:

Charge of tax.

Provided that an undisclosed asset located outside India shall be charged to tax on its value in the previous year in which such asset comes to the notice of the Assessing Officer.

(2) For the purposes of this section, “value of an undisclosed asset” means the fair market value of an asset (including financial interest in any entity) determined in such manner as may be prescribed.

4. (1) Subject to the provisions of this Act, the total undisclosed foreign income and asset of any previous year of an assessee shall be,—

Scope of total undisclosed foreign income and asset.

(a) the income from a source located outside India, which has not been disclosed in the return of income furnished within the time specified in *Explanation 2* to sub-section (1) or under sub-section (4) or sub-section (5) of section 139 of the Income-tax Act;

(b) the income, from a source located outside India, in respect of which a return is required to be furnished under section 139 of the Income-tax Act but no return of income has been furnished within the time specified in *Explanation 2* to sub-section (1) or under sub-section (4) or sub-section (5) of section 139 of the said Act; and

(c) the value of an undisclosed asset located outside India.

(2) Notwithstanding anything contained in sub-section (1), any variation made in the income from a source outside India in the assessment or reassessment of the total income of any previous year, of the assessee under the Income-tax Act in accordance with the provisions of section 29 to section 43C or section 57 to section 59 or section 92C of the said Act, shall not be included in the total undisclosed foreign income.

(3) The income included in the total undisclosed foreign income and asset under this Act shall not form part of the total income under the Income-tax Act.

5. (1) In computing the total undisclosed foreign income and asset of any previous year of an assessee,—

Computation of total undisclosed foreign income and asset.

(i) no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee, whether or not it is allowable in accordance with the provisions of the Income-tax Act;

(ii) any income,—

(a) which has been assessed to tax for any assessment year under the Income-tax Act prior to the assessment year to which this Act applies; or

(b) which is assessable or has been assessed to tax for any assessment year under this Act,

shall be reduced from the value of the undisclosed asset located outside India, if, the assessee furnishes evidence to the satisfaction of the Assessing Officer that the asset has been acquired from the income which has been assessed or is assessable, as the case may be, to tax.

(2) The amount of deduction referred to in clause (ii) of sub-section (1) in case of an immovable property shall be the amount which bears to the value of the asset as on the first day of the financial year in which it comes to the notice of the Assessing Officer, the same proportion as the assessable or assessed foreign income bears to the total cost of the asset.

Illustration

A house property located outside India was acquired by an assessee in the previous year 2009-10 for fifty lakh rupees. Out of the investment of fifty lakh rupees, twenty lakh rupees was assessed to tax in the total income of the previous year 2009-10 and earlier years. Such undisclosed asset comes to the notice of the Assessing Officer in the year 2017-18. If the value of the asset in the year 2017-18 is one crore rupees, the amount chargeable to tax shall be $A-B=C$

where,

$A = \text{Rs. 1 crore}$, $B = \text{Rs. } (100 \times 20/50) \text{ lakh} = \text{Rs. 40 lakh}$, $C = \text{Rs. } (100-40) \text{ lakh} = \text{Rs. 60 lakh}$.

CHAPTER III

TAX MANAGEMENT

Tax authorities. 6. (1) The income-tax authorities specified in section 116 of the Income-tax Act shall be the tax authorities for the purposes of this Act.

(2) Every such authority shall exercise the powers and perform the functions of a tax authority under this Act in respect of any person within his jurisdiction.

(3) Subject to the provisions of sub-section (4), the jurisdiction of a tax authority under this Act shall be the same as he has under the Income-tax Act by virtue of orders or directions issued under section 120 of that Act (including orders or directions assigning the concurrent jurisdiction) or under any other provision of that Act.

(4) The tax authority having jurisdiction in relation to an assessee who has no income assessable to income-tax under the Income-tax Act shall be the tax authority having jurisdiction in respect of the area in which the assessee resides or carries on its business or has its principal place of business.

(5) Section 118 of the Income-tax Act and any notification issued thereunder shall apply in relation to the control of tax authorities as they apply in relation to the control of the corresponding income-tax authorities, except to the extent to which the Board may, by notification in the Official Gazette, otherwise direct in respect of any tax authority.

Change of incumbent.

7. (1) The tax authority who succeeds another authority as a result of change in jurisdiction or for any other reason, shall continue the proceedings from the stage at which it was left by his predecessor.

(2) The assessee in such a case may be given an opportunity of being heard, if he so requests in writing, before passing any order in his case.

Powers regarding discovery and production of evidence.

8. (1) The prescribed tax authorities shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely:—

5 of 1908.

(a) discovery and inspection;

(b) enforcing the attendance of any person, including any officer of a banking company and examining him on oath;

- (c) compelling the production of books of account and other documents; and
- (d) issuing commissions.

(2) For the purposes of making any inquiry or investigation, the prescribed tax authority shall be vested with the powers referred to in sub-section (1), whether or not any proceedings are pending before it.

(3) Any tax authority prescribed for the purposes of sub-section (1) or sub-section (2) may, subject to the rules made in this behalf, impound any books of account or other documents produced before it and retain them in its custody for such period as it thinks fit.

(4) Any tax authority below the rank of Commissioner shall not—

(a) impound any books of account or other documents without recording his reasons for doing so; or

(b) retain in his custody any such books or documents for a period exceeding thirty days without obtaining the approval of the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner.

45 of 1860.

9. (1) Any proceeding under this Act before a tax authority shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 and for the purposes of section 196 of the Indian Penal Code.

Proceedings
before tax
authorities to
be judicial
proceedings.

2 of 1974.

(2) Every tax authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973.

10. (1) For the purposes of making an assessment or reassessment under this Act, the Assessing Officer may, on receipt of an information from an income-tax authority under the Income-tax Act or any other authority under any law for the time being in force or on coming of any information to his notice, serve on any person, a notice requiring him on a date to be specified to produce or cause to be produced such accounts or documents or evidence as the Assessing Officer may require for the purposes of this Act and may, from time to time, serve further notices requiring the production of such other accounts or documents or evidence as he may require.

Assessment.

(2) The Assessing Officer may make such inquiry, as he considers necessary, for the purpose of obtaining full information in respect of undisclosed foreign income and asset of any person for the relevant financial year or years.

(3) The Assessing Officer, after considering such accounts, documents or evidence, as he has obtained under sub-section (1), and after taking into account any relevant material which he has gathered under sub-section (2) and any other evidence produced by the assessee, shall by an order in writing, assess the undisclosed foreign income and asset and determine the sum payable by the assessee.

(4) If any person fails to comply with all the terms of the notice under sub-section (1), the Assessing Officer shall, after taking into account all the relevant material which he has gathered and after giving the assessee an opportunity of being heard, make the assessment of undisclosed foreign income and asset to the best of his judgment and determine the sum payable by the assessee.

11. (1) No order of assessment or reassessment shall be made under section 10 after the expiry of two years from the end of the financial year in which the notice under sub-section (1) of section 10 was issued by the Assessing Officer.

Time limit for
completion of
assessment and
reassessment.

(2) Notwithstanding anything contained in sub-section (1), an order of fresh assessment in pursuance of an order passed under section 18 setting aside or cancelling an assessment, may be made at any time before the expiry of the period of two years from the end of the financial year in which the order under section 18 is received by the Principal Commissioner or the Commissioner.

(3) The provisions of sub-section (1) shall not apply to the assessment or reassessment made in consequence of, or to give effect to, any finding or direction contained in an order under section 15 or section 18 or section 19 or section 22 of this Act or in an order of any court in a proceeding otherwise than by way of appeal under this Act and such assessment or reassessment may, subject to the provisions of sub-section (2), be completed at any time, before the expiry of the period of two years from the end of the financial year in which such order is received by the Principal Commissioner or the Commissioner.

Explanation 1.—In computing the period of limitation for the purpose of this section—

(i) the time taken in reopening the whole or any part of the proceeding; or

(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court; or

(iii) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A of the Income-tax Act or under section 73 of this Act and ending with the date on which the Principal Commissioner or the Commissioner last receives, the information so requested or a period of one year, whichever is less,

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid time or period, the period of limitation referred to in sub-sections (1), (2) and (3) available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly.

Explanation 2.—Where, by an order referred to in sub-section (3), any undisclosed foreign income and asset is excluded from the total undisclosed foreign income and asset for an assessment year in respect of an assessee, then, an assessment of such undisclosed foreign income and asset for another assessment year shall, for the purposes of section 10 and this section, be deemed to be one made in consequence of, or to give effect to, any finding or direction contained in the said order.

Rectification
of mistake.

12. (1) A tax authority may amend any order passed by it under this Act so as to rectify any mistake apparent from the record.

(2) No amendment under this section shall be made after a period of four years from the end of the financial year in which the order sought to be amended was passed.

(3) The tax authority shall not make any amendment, which has the effect of enhancing the undisclosed foreign income and asset or reducing a refund or otherwise increasing the liability of the assessee, unless the authority concerned has given to the assessee an opportunity of being heard.

(4) The tax authority concerned may make an amendment under this section—

(a) on its own motion; or

(b) on an application made to it by the assessee or, as the case may be, by the Assessing Officer.

(5) Any application received by the tax authority for amendment of an order shall be decided within a period of six months from the end of the month in which such application is received by it.

(6) In a case where the order has been made in an appeal or revision, the power of the tax authority to amend the order shall be restricted to matters other than those decided in appeal or revision.

13. Any sum payable in consequence of any order made under this Act shall be demanded by a tax authority by serving upon the assessee a notice of demand in such form and manner as may be prescribed.

Notice of demand.

14. Nothing in this Chapter shall prevent either the direct assessment of the person on whose behalf or for whose benefit the undisclosed income from a source located outside India is receivable or undisclosed asset located outside India is held, or the recovery from such person of the tax or any other sum of money payable in respect of such income and asset.

Direct assessment or recovery not barred.

15. (1) Any person, – (a) objecting to the amount of tax on undisclosed foreign income and asset for which he is assessed by the Assessing Officer; or (b) denying his liability to be assessed under this Act; or (c) objecting to any penalty imposed by the Assessing Officer; or (d) objecting to an order of rectification having the effect of enhancing the assessment or reducing the refund; or (e) objecting to an order refusing to allow the claim made by the assessee for a rectification under section 12, may appeal to the Commissioner (Appeals).

Appeals to the Commissioner (Appeals).

(2) Every appeal shall be filed in such form and verified in such manner and be accompanied by a fee as may be prescribed.

(3) An appeal shall be presented within a period of thirty days from —

(a) the date of service of the notice of demand relating to the assessment or penalty, or

(b) the date on which the intimation of the order sought to be appealed against is served in any other case.

(4) The Commissioner (Appeals) may admit an appeal after the expiration of the period referred to in sub-section (3) —

(a) if he is satisfied that the appellant had sufficient cause for not presenting it within that period; and

(b) the delay in preferring the appeal does not exceed a period of one year.

(5) The Commissioner (Appeals) shall hear and determine the appeal and, subject to the provisions of this Act, pass such orders as he thinks fit and such orders may include an order enhancing the assessment or penalty:

Provided that an order enhancing the assessment or penalty shall not be made unless the assessee has been given a reasonable opportunity of being heard.

16. (1) The Commissioner (Appeals) shall fix a date and place for the hearing of the appeal, and shall give notice of the same to the appellant and the Assessing Officer against whose order the appeal is preferred.

Procedure to be followed in appeal.

(2) The following shall have the right to be heard at the hearing of the appeal, namely:—

(a) the appellant, either in person or by an authorised representative;

(b) the Assessing Officer, either in person or by a representative.

(3) The Commissioner (Appeals) may adjourn the hearing of the appeal whenever he considers it necessary or expedient to do so.

(4) The Commissioner (Appeals) may, before disposing of any appeal, make such further inquiry as he thinks fit.

(5) The Commissioner (Appeals) may, during the proceedings before him, direct the Assessing Officer to make an inquiry and report to him on the points arising out of any question of law or fact.

(6) The Commissioner (Appeals) may, at the hearing of an appeal, allow the appellant to go into any ground of appeal not specified in the grounds of appeal, if the Commissioner (Appeals) is satisfied that the omission was not wilful or unreasonable.

(7) The order of the Commissioner (Appeals) disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons therefor.

(8) Every appeal preferred under section 15 shall be heard and disposed of by the Commissioner (Appeals) as expeditiously as possible and endeavour shall be made to dispose of such appeal within a period of one year from the end of the financial year in which the appeal is preferred.

(9) On the disposal of the appeal, the Commissioner (Appeals) shall communicate the order passed by him to the assessee and to the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner.

Powers of
Commissioner
(Appeals).

17. (1) In disposing of an appeal, the Commissioner (Appeals) shall have the following powers, namely:—

(a) in an appeal against an order of assessment, he may confirm, reduce, enhance or annul the assessment;

(b) in an appeal against an order imposing a penalty, he may confirm or cancel such order;

(c) in any other case, he may determine the issues arising in the appeal and pass such orders thereon, as he thinks fit.

(2) The Commissioner (Appeals) may consider and decide any matter which was not considered by the Assessing Officer.

(3) The Commissioner (Appeals) shall not enhance an assessment or a penalty unless the appellant has been given an opportunity of being heard.

(4) In disposing of an appeal, the Commissioner (Appeals) may consider and decide any matter arising out of the proceedings in which the order appealed against was passed, notwithstanding that such matter was not raised before him by the appellant.

Appeals to
Appellate
Tribunal.

18. (1) Any assessee aggrieved by an order passed by the Commissioner (Appeals) under section 15, or an order passed by the Principal Commissioner or the Commissioner under any provision of this Act, may appeal to the Appellate Tribunal against such order.

(2) The Principal Commissioner or the Commissioner may, if he objects to any order passed by the Commissioner (Appeals) under any provision of this Act, direct the Assessing Officer to appeal to the Appellate Tribunal against the order.

(3) Every appeal under sub-section (1) or sub-section (2) shall be filed within a period of sixty days from the date on which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or the Commissioner, as the case may be.

(4) The Assessing Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Commissioner (Appeals) has been preferred under sub-section (1) or sub-section (2) by the other party may, notwithstanding that he may not have appealed against such order or any part thereof, within thirty days of the receipt of the notice, file a memorandum of cross-objections, verified in the prescribed manner, against

any part of the order of the Commissioner (Appeals), and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (3).

(5) The Appellate Tribunal may admit an appeal or permit the filing of a memorandum of cross-objections after the expiry of the period referred to in sub-section (3) or sub-section (4), if —

(a) it is satisfied that there was sufficient cause for not presenting it within that period; and

(b) the delay in filing the appeal does not exceed a period of one year.

(6) An appeal to the Appellate Tribunal shall be filed in such form, and verified in such manner, and shall, except in the case of an appeal referred to in sub-section (2) or a memorandum of cross-objections referred to in sub-section (4), be accompanied by a fee as may be prescribed.

(7) Subject to the provisions of this Act, in hearing and making an order on any appeal under this section, the Appellate Tribunal shall exercise the same powers and follow the procedure as it exercises and follows in hearing and making an order on any appeal under the Income-tax Act.

19. (1) An appeal shall lie to the High Court from every order passed in appeal by the Appellate Tribunal, if the High Court is satisfied that the case involves a substantial question of law.

Appeal to High Court.

(2) The Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or an assessee, may file an appeal to the High Court on being aggrieved by any order passed by the Appellate Tribunal and such appeal shall be —

(a) filed within a period of one hundred and twenty days from the date on which the order appealed against is received by the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or the assessee;

(b) in the form of a memorandum of appeal precisely stating therein the substantial question of law involved.

(3) The High Court may admit an appeal after the expiry of the period of one hundred and twenty days referred to in sub-section (2), if it is satisfied that there was sufficient cause for not filing the appeal within that period.

(4) If the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question.

(5) The appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question.

(6) Notwithstanding anything in sub-sections (4) and (5), the High Court may exercise its power to hear the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question of law.

(7) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.

(8) The High Court may determine any issue which —

(a) has not been determined by the Appellate Tribunal; or

(b) has been wrongly determined by the Appellate Tribunal, by reason of a decision on the question of law referred to in sub-section (1).

(9) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, so far as may be, apply in the case of appeals under this section. 5 of 1908.

(10) When the High Court delivers a judgment in an appeal filed before it under sub-section (7), effect shall be given to the order passed on the appeal by the Assessing Officer on the basis of a certified copy of the judgment.

Case before High Court to be heard by not less than two Judges.

20. (1) An appeal filed before the High Court shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or if the Bench is of more than two Judges, by the majority of such Judges.

(2) Where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the other Judges of the High Court and such point shall be decided according to the opinion of the majority of the Judges who have heard the case including those who first heard it.

Appeal to Supreme Court.

21. An appeal shall lie to the Supreme Court from any judgment of the High Court delivered under section 19 which the High Court certifies to be a fit case for appeal to the Supreme Court.

Hearing before Supreme Court.

22. (1) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under section 21 as they apply in the case of appeals from decrees of a High Court. 5 of 1908.

(2) The costs of the appeal shall be in the discretion of the Supreme Court.

(3) Where the judgment of the High Court is varied or reversed in the appeal, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (10) of section 19.

Revision of orders prejudicial to revenue.

23. (1) The Principal Commissioner or the Commissioner may, for the purposes of revising any order passed in any proceeding under this Act before any tax authority subordinate to him, call for and examine all available records relating thereto.

(2) The Principal Commissioner or the Commissioner may, after giving the assessee an opportunity of being heard, pass an order (hereinafter referred to as the revision order) as the circumstances of the case justify, if he is satisfied that the order sought to be revised is erroneous in so far as it is prejudicial to the interests of the revenue.

(3) The Principal Commissioner or the Commissioner may make, or cause to be made, such inquiry as he considers necessary for the purposes of passing an order under sub-section (2).

(4) The revision order passed by the Principal Commissioner or the Commissioner under sub-section (2) may have the effect of enhancing or modifying the assessment but shall not be an order cancelling the assessment and directing a fresh assessment.

(5) The power of the Principal Commissioner or the Commissioner under sub-section (2) for revising an order shall extend to such matters as have not been considered and decided in any appeal.

(6) No order under sub-section (2) shall be made after the expiry of a period of two years from the end of the financial year in which the order sought to be revised was passed.

(7) Notwithstanding anything in sub-section (6), an order in revision under this section may be passed at any time in respect of an order which has been passed in consequence of, or to give effect to, any finding or direction contained in an order of the Appellate Tribunal, the High Court or the Supreme Court.

(8) In computing the period of limitation under sub-section (6), the following shall not be included, namely:—

(a) the time taken in giving an opportunity to the assessee to be reheard under section 7; or

(b) any period during which any proceeding under this section is stayed by an order or injunction of any court.

(9) Without prejudice to the generality of the foregoing provisions, an order passed by a tax authority shall be deemed to be erroneous in so far as it is prejudicial to the interests of the revenue, if in the opinion of the Principal Commissioner or the Commissioner—

(a) the order is passed without making inquiries or verification which, should have been made; or

(b) the order has not been made in accordance with any order, direction or instruction issued by the Board; or

(c) the order has not been passed in accordance with any decision, prejudicial to the assessee, rendered by the jurisdictional High Court or the Supreme Court in the case of the assessee or any other person under this Act or the Income-tax Act.

(10) In this section, “record” shall include all records relating to any proceeding under this Act available at the time of examination by the Principal Commissioner or the Commissioner.

24. (1) The Principal Commissioner or the Commissioner may, either *suo motu* or on an application made by the assessee, for the purposes of revising any order passed by an authority subordinate to him, other than an order to which section 23 applies, call for and examine all available records relating thereto.

Revision of
other orders.

(2) The Principal Commissioner or the Commissioner may pass an order, as he considers necessary, which is not prejudicial to the assessee.

(3) The power of the Principal Commissioner or the Commissioner under sub-section (2) to revise an order shall not extend to such order—

(a) against which an appeal has not been filed but the time for filing an appeal before the Commissioner (Appeals) has not expired;

(b) against which an appeal is pending before the Commissioner (Appeals); or

(c) which has been considered and decided in any appeal.

(4) The assessee shall make the application for revision of any order referred to in sub-section (1), within a period of one year from the date on which the order sought to be revised was communicated to him, or the date on which he otherwise came to know of it, whichever is earlier.

(5) The Principal Commissioner or the Commissioner may, if he is satisfied that the assessee was prevented by sufficient cause from making the application within the period of one year, admit an application made after the expiry of one year but before expiry of two years from the date referred to in sub-section (4).

(6) Every application by an assessee for revision under this section shall be accompanied by such fees as may be prescribed.

(7) No order under sub-section (2) shall be made after the expiry of—

(a) a period of one year from the end of the financial year in which an application is made by the assessee under sub-section (4); or

(b) a period of one year from the date of the order sought to be revised, if the order is revised *suo motu* by the Commissioner.

(8) In computing the period of limitation under sub-section (7), the following shall not be included, namely:—

(a) the time taken in giving an opportunity to the assessee to be reheard under section 7; or

(b) any period during which any proceeding under this section is stayed by an order or injunction of any court.

(9) An order by the Principal Commissioner or the Commissioner declining to interfere shall, for the purposes of this section, be deemed not to be an order prejudicial to the assessee.

Tax to be paid
pending
appeal.

25. Notwithstanding any appeal preferred to the High Court or the Supreme Court, the tax shall be paid in accordance with the assessment made under this Act.

Execution of
order for costs
awarded by
Supreme Court.

26. The High Court may, on petition made for the execution of the order in respect of the costs awarded by the Supreme Court, transmit such order for execution to any court subordinate to it.

Amendment of
assessment on
appeal.

27. Where as a result of an appeal under section 15 or section 18, any change is made in the assessment of a body of individuals or an association of persons or an order for new assessment of a body of individuals or an association of persons is made, the Commissioner (Appeals) or the Appellate Tribunal, as the case may be, shall pass an order authorising the Assessing Officer either to amend the assessment made or make a fresh assessment on any member of the body or association.

Exclusion of
time taken for
obtaining copy.

28. In computing the period of limitation prescribed for an appeal under this Act, the day on which the notice of the order was served upon the assessee without serving a copy of the order, the time taken for obtaining a copy of such order, shall be excluded.

Filing of
appeal by tax
authority.

29. (1) The Board may, from time to time, issue orders, instructions or directions to other tax authorities, fixing such monetary limits as it may deem fit, for the purpose of regulating the filing of appeal by any tax authority under this Chapter.

(2) Where, in pursuance of the orders, instructions or directions issued under sub-section (1), a tax authority has not filed any appeal on any issue in the case of an assessee for any financial year, it shall not preclude such authority from filing an appeal on the same issue in the case of—

(a) the same assessee for any other financial year; or

(b) any other assessee for the same or any other financial year.

(3) Notwithstanding that no appeal has been filed by a tax authority pursuant to the orders or instructions or directions issued under sub-section (1), it shall not be lawful for an assessee, being a party in any appeal, to contend that the tax authority has acquiesced in the decision on the disputed issue by not filing an appeal in any case.

(4) The Appellate Tribunal, hearing such appeal, shall have regard to the orders, instructions or directions issued under sub-section (1) and the circumstances under which such appeal was filed or not filed in respect of any case.

(5) Every order, instruction or direction which has been issued by the Board fixing monetary limits for filing an appeal shall be deemed to have been issued under sub-section (1) and the provisions of sub-sections (2), (3) and (4) shall apply accordingly.

30. (1) Any amount specified as payable in a notice of demand under section 13 shall be paid within a period of thirty days of the service of the notice, to the credit of the Central Government in such manner as may be prescribed.

Recovery of
tax dues by
Assessing
Officer.

(2) Where the Assessing Officer has any reason to believe that it will be detrimental to the interests of revenue, if the period of thirty days referred to in sub-section (1) is allowed, he may, with the previous approval of the Joint Commissioner, reduce such period as he deems fit.

(3) The Assessing Officer may, on an application made by the assessee, before the expiry of a period of thirty days or the period reduced under sub-section (2) or during the pendency of appeal with the Commissioner (Appeals), extend the time for payment, or allow payment by instalments, subject to such conditions as he may think fit to impose in the circumstances of the case.

(4) An assessee shall be deemed to be an assessee in default, if the tax arrear is not paid within the time allowed under sub-section (1) or the period reduced under sub-section (2) or extended under sub-section (3), as the case may be.

(5) Where an assessee defaults in paying any one of the instalments within the time fixed under sub-section (3), he shall be deemed to be an assessee in default in respect of the whole of the then outstanding amount.

(6) The Assessing Officer may, in a case where no certificate has been drawn up under section 31 by the Tax Recovery Officer, recover the amount in respect of which the assessee is in default, or is deemed to be in default, by any one or more of the modes provided in section 32.

(7) The Tax Recovery Officer shall be vested with the powers to recover the tax arrear on drawing up of a statement of tax arrear under section 31.

31. (1) The Tax Recovery Officer may draw up under his signature a statement of tax arrears of an assessee referred to in sub-section (4) or sub-section (5) of section 30, in such form, as may be prescribed (such statement hereafter in this Chapter referred to as "certificate").

Recovery of
tax dues by Tax
Recovery
Officer.

(2) The certificate under sub-section (1) shall stand amended from time to time consequent to any proceeding under this Act and the Tax Recovery Officer shall recover the amount so modified.

(3) The Tax Recovery Officer may rectify any mistake apparent from the record.

(4) The Tax Recovery Officer shall have the power to extend the time for payment, or allow payment by instalments, subject to such conditions as he may think fit to impose in the circumstances of the case.

(5) The Tax Recovery Officer shall proceed to recover from the assessee the amount specified in the certificate by one or more of the modes referred to in section 32 or in the Second Schedule to the Income-tax Act.

(6) It shall not be open to the assessee to dispute the correctness of any certificate drawn up by the Tax Recovery Officer on any ground whatsoever, but it shall be lawful for the Tax Recovery Officer to cancel the certificate if, for any reason, he thinks it necessary so to do.

32. (1) The Assessing Officer or the Tax Recovery Officer may require the employer of the assessee to deduct from any payment to the assessee such amount as is sufficient to meet the tax arrear from the assessee.

Modes of
recovery of tax
dues.

(2) Upon requisition under sub-section (1), the employer shall comply with the requisition and shall pay the sum so deducted to the credit of the Central Government in such manner as may be prescribed.

(3) Any part of the salary, exempt from attachment in execution of a decree of a civil court under section 60 of the Code of Civil Procedure, 1908, shall be exempt from any requisition made under sub-section (1). 5 of 1908.

(4) The Assessing Officer or the Tax Recovery Officer may, by notice in writing, require any debtor of the assessee to pay such amount, not exceeding the amount of debt, as is sufficient to meet the tax arrear of the assessee.

(5) Upon receipt of the notice under sub-section (4), the debtor shall comply with the requisition and shall pay the sum to the credit of the Central Government in such manner as may be prescribed within the time (not being before the debt becomes due to the assessee) specified in the notice.

(6) A copy of the notice issued under sub-section (4) shall be forwarded to the assessee at his last address known to the Assessing Officer or the Tax Recovery Officer and in the case of a joint account, to all the joint holders at their last addresses known to the Assessing Officer or the Tax Recovery Officer.

(7) It shall not be necessary for any pass book, deposit receipt, policy or any other document to be produced for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary if the notice under sub-section (4) is issued to a post office, banking company, insurer or any other person.

(8) Any claim in respect of any property, in relation to which a notice under sub-section (4) has been issued, arising after the date of the notice, shall be void as against any demand contained in the notice.

(9) A person to whom a notice under sub-section (4) has been issued, shall not be required to pay the amount of tax arrear specified therein, or part thereof, if he objects to it by a statement on oath that the sum demanded, or any part thereof, is not due to the assessee or that he does not hold any money for, or on account of, the assessee.

(10) The person referred to in sub-section (9) shall be personally liable to the Assessing Officer or the Tax Recovery Officer, as the case may be, to the extent of his own liability to the assessee on the date of the notice, or to the extent of the liability of the assessee for any sum due under this Act, whichever is less, if it is discovered that the statement made by him was false in any respect.

(11) The Assessing Officer or the Tax Recovery Officer may amend or revoke any notice issued under sub-section (4) or extend the time for making any payment in pursuance of such notice.

(12) The Assessing Officer or the Tax Recovery Officer shall grant a receipt for any amount paid in compliance with a notice issued under sub-section (4), and the person so paying shall be fully discharged from his liability to the assessee to the extent of the amount so paid.

(13) Any person discharging any liability to the assessee after receipt of a notice under sub-section (4) shall be personally liable to the Assessing Officer or the Tax Recovery Officer to the extent of his own liability to the assessee so discharged or to the extent of the liability of the assessee for any sum due under this Act, whichever is less.

(14) The debtor to whom a notice under sub-section (4) is sent shall be deemed to be an assessee in default, if he fails to make such payment and further proceedings may be initiated against him for the realisation of the amount in the manner provided in this section and the Second Schedule to the Income-tax Act.

(15) The Assessing Officer or the Tax Recovery Officer may apply to the court, in whose custody there is money belonging to the assessee, for payment to him of the entire amount of such money or if it is more than the tax arrear, an amount sufficient to meet the tax arrear.

(16) The Assessing Officer or the Tax Recovery Officer shall effect the recovery of any tax arrear in the same manner as attachment, distraint and sale of any movable property under the Second Schedule to the Income-tax Act, if he is so authorised by the Principal Chief Commissioner or the Chief Commissioner, or the Principal Commissioner or the Commissioner, by general or special order.

(17) In this section,—

(a) “debtor”, in relation to an assessee, means,—

(i) any person from whom any money is due, or may become due, to the assessee; or

(ii) any person who holds, or may subsequently hold, any money for, or on account of, the assessee; or

(iii) any person who holds, or may subsequently hold, any money for, or on account of, the assessee jointly with any other person;

(b) shares of the joint holders in the account shall be presumed, until the contrary is proved, to be equal.

33. (1) The Tax Recovery Officer competent to take action under section 31 shall be the Tax Recovery Officer —

Tax Recovery Officer by whom recovery of tax dues is to be effected.

(a) within whose jurisdiction —

(i) the assessee carries on his business;

(ii) the principal place of business of the assessee is situate;

(iii) the assessee resides; or

(iv) any movable or immovable property of the assessee is situate; or

(b) who has been assigned jurisdiction under section 6.

(2) The Tax Recovery Officer, referred to in sub-section (1), may send a certificate, in such manner as may be prescribed, specifying the tax arrear to be recovered, to another Tax Recovery Officer within whose jurisdiction the assessee resides or has property, if the first-mentioned Tax Recovery Officer —

(a) is not able to recover the entire amount by sale of the property, movable or immovable, within his jurisdiction; or

(b) is of the opinion that, for the purpose of expediting, or securing, the recovery of the whole, or any part, of the amount under this Chapter, it is necessary to send such certificate.

(3) The second-mentioned Tax Recovery Officer shall, on receipt of the certificate, assume jurisdiction for recovery of the amount of tax arrear specified therein and proceed to recover the amount in accordance with the provisions of this Chapter.

34. (1) The liquidator shall inform the Assessing Officer, who has jurisdiction to assess the undisclosed foreign income and asset of the company, of his appointment within a period of thirty days of his becoming the liquidator.

Recovery of tax dues in case of a company in liquidation.

(2) The Assessing Officer shall, within a period of three months from the date on which he receives the information, intimate to the liquidator the amount which, in his opinion, would be sufficient to provide for any tax arrears or any amount which is likely to become payable thereafter, by the company under this Act.

(3) The liquidator—

(a) shall not part with any of the assets of the company, or the properties, in his custody until he has been intimated by the Assessing Officer under sub-section (2); and

(b) on being so intimated, shall set aside an amount equal to the amount intimated.

(4) Upon receipt of the intimation from the Assessing Officer under sub-section (2), the amount so intimated shall, notwithstanding anything in any other law for the time being in force, be the first charge on the assets of the company remaining after payment of the following dues, namely:—

(a) workmen's dues; and

(b) debts due to secured creditors to the extent such debts under clause (iii) of the proviso to sub-section (1) of section 325 of the Companies Act, 2013 are *pari passu* with such dues. 18 of 2013.

(5) The liquidator shall be personally liable for the payment of the amount payable by the company, if he—

(a) fails to inform in accordance with sub-section (1); or

(b) fails to set aside the amount as required by sub-section (3).

(6) The obligations and liabilities attached to the liquidator under this section shall attach to all the liquidators jointly and severally in a case where there is more than one liquidator.

(7) The provisions of this section shall prevail over anything to the contrary contained in any other law for the time being in force.

(8) In this section,—

(a) “liquidator” in relation to a company which is being wound up, whether under the orders of a court or otherwise, shall include a receiver of the assets of the company;

(b) “workmen's dues” shall have the meaning assigned to it in section 325 of the Companies Act, 2013. 18 of 2013.

Liability of
manager of a
company.

35. (1) Every person being a manager at any time during the financial year shall be jointly and severally liable for the payment of any amount due under this Act in respect of the company for the financial year, if the amount cannot be recovered from the company.

(2) The provisions of sub-section (1) shall not apply, if the manager proves that non-recovery cannot be attributed to any neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

(3) The provisions of this section shall prevail over anything to the contrary contained in the Companies Act, 2013. 18 of 2013.

(4) In this section, “manager” shall include a managing director and both shall have the meaning respectively assigned to them in clause (53) and clause (54) of section 2 of the Companies Act, 2013. 18 of 2013.

36. (1) Every person, being a participant in an unincorporated body at any time during the financial year, or the representative assessee of the deceased participant, shall be jointly and severally liable, along with the unincorporated body, for payment of any amount payable by the unincorporated body under this Act and all the provisions of this Act shall apply accordingly.

Joint and
several liability
of participants.

(2) In case of a limited liability partnership, the provisions of sub-section (1) shall not apply, if the partner proves that non-recovery cannot be attributed to any neglect, misfeasance or breach of duty on his part in relation to the affairs of the partnership.

6 of 2009.

(3) The provisions of this section shall prevail over anything to the contrary contained in the Limited Liability Partnership Act, 2008.

37. If the recovery of tax in any area has been entrusted to a State Government under clause (1) of article 258 of the Constitution, the State Government may direct, with respect to that area or any part thereof, that tax shall be recovered therein with, and as an addition to, any municipal tax or local rate, by the same person and in the manner as the municipal tax or local rate is recovered.

Recovery
through State
Government.

38. (1) The Tax Recovery Officer may, in a case where an assessee has property in a country or a specified territory outside India, forward a certificate to the Board for recovery of the tax arrears from the assessee, where the Central Government or any specified association in India has entered into an agreement with that country or territory under section 90 or section 90A of the Income-tax Act or under sub-sections (1), (2) or sub-section (4) of section 73 of this Act, as the case may be, for the purposes of recovery of tax.

Recovery of
tax dues in
pursuance of
agreements
with foreign
countries or
specified
territory.

(2) On receipt of the certificate under sub-section (3) from the Tax Recovery Officer, the Board may take such action thereon as it may deem appropriate having regard to the terms of the agreement with such country or a specified territory.

39. (1) The several modes of recovery specified in this Chapter shall not affect in any way—

Recovery by
suit or under
other law not
affected.

(a) any other law for the time being in force relating to the recovery of debts due to the Government; or

(b) the right of the Government to institute a suit for the recovery of the tax arrears from the assessee.

(2) It shall be lawful for the Assessing Officer, or the Government, to have recourse to any such law or suit, notwithstanding that the tax arrears are being recovered from the assessee by any mode specified in this Chapter.

40. (1) Where the assessee has any income from a source outside India which has not been disclosed in the return of income furnished under sub-section (1) of section 139 of the Income-tax Act or the return of income has not been furnished under the said sub-section, interest shall be chargeable in accordance with the provisions of section 234A of the Income-tax Act.

Interest for
default in
furnishing
return and
payment or
deferment of
advance tax.

(2) Where the assessee has any undisclosed income from a source outside India and the advance tax on such income has not been paid in accordance with Part C of Chapter XVII of the Income-tax Act, interest shall be chargeable in accordance with the provisions of sections 234B and 234C of the Income-tax Act.

CHAPTER IV

PENALTIES

Penalty in relation to undisclosed foreign income and asset.

Penalty for failure to furnish return in relation to foreign income and asset.

41. The Assessing Officer may direct that in a case where tax has been computed under section 10 in respect of undisclosed foreign income and asset, the assessee shall pay by way of penalty, in addition to tax, if any, payable by him, a sum equal to three times the tax computed under that section.

42. If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who is required to furnish a return of his income for any previous year, as required under sub-section (1) of section 139 of the Income-tax Act or by the provisos to that sub-section, and who at any time during such previous year,—

(i) held any asset (including financial interest in any entity) located outside India as a beneficial owner or otherwise; or

(ii) was a beneficiary of any asset (including financial interest in any entity) located outside India; or

(iii) had any income from a source located outside India,

and fails to furnish such return before the end of the relevant assessment year, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten lakh rupees:

Provided that this section shall not apply in respect of an asset, being one or more bank accounts having an aggregate balance which does not exceed a value equivalent to five hundred thousand rupees at any time during the previous year.

Explanation.—For determining the value equivalent in rupees of the balance in an account maintained in foreign currency, the rate of exchange for calculation of the value in rupees shall be the telegraphic transfer buying rate of such currency as on the date for which the value is to be determined as adopted by the State Bank of India constituted under the State Bank of India Act, 1955.

23 of 1955.

Penalty for failure to furnish in return of income, an information or furnish inaccurate particulars about an asset (including financial interest in any entity) located outside India.

43. If any person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who has furnished the return of income for any previous year under sub-section (1) or sub-section (4) or sub-section (5) of section 139 of the said Act, fails to furnish any information or furnishes inaccurate particulars in such return relating to any asset (including financial interest in any entity) located outside India, held by him as a beneficial owner or otherwise, or in respect of which he was a beneficiary, or relating to any income from a source located outside India, at any time during such previous year, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten lakh rupees:

Provided that this section shall not apply in respect of an asset, being one or more bank accounts having an aggregate balance which does not exceed a value equivalent to five hundred thousand rupees at any time during the previous year.

Explanation.—The value equivalent in rupees shall be determined in the manner provided in the *Explanation* to section 42.

Penalty for default in payment of tax arrear.

44. (1) Every person who is an assessee in default, or an assessee deemed to be in default, as the case may be, in making payment of tax, and in case of continuing default by such assessee, he shall be liable to a penalty of an amount, equal to the amount of tax arrear.

(2) An assessee shall not cease to be liable to any penalty under sub-section (1) merely by reason of the fact that before the levy of such penalty he has paid the tax.

45. (1) A person shall be liable to a penalty if he has, without reasonable cause, failed to— Penalty for other defaults.

(a) answer any question put to him by a tax authority in the exercise of its powers under this Act;

(b) sign any statement made by him in the course of any proceedings under this Act which a tax authority may legally require him to sign;

(c) attend or produce books of account or documents at the place or time, if he is required to attend or to give evidence or produce books of account or other documents, at certain place and time in response to summons issued under section 8.

(2) The penalty referred to in sub-section (1) shall be a sum which shall not be less than fifty thousand rupees but which may extend to two lakh rupees.

46. (1) The tax authority shall, for the purposes of imposing any penalty under this Chapter, issue a notice to an assessee requiring him to show cause why the penalty should not be imposed on him. Procedure.

(2) The notice referred to in sub-section (1) shall be issued—

(a) during the pendency of any proceedings under this Act for the relevant previous year, in respect of penalty referred to in section 41;

(b) within a period of three years from the end of the financial year in which the default is committed, in respect of penalties referred to in section 45.

(3) No order imposing a penalty under this Chapter shall be made unless the assessee has been given an opportunity of being heard.

(4) An order imposing a penalty under this Chapter shall be made with the approval of the Joint Commissioner, if—

(a) the penalty exceeds one lakh rupees and the tax authority levying the penalty is in the rank of Income-tax Officer; or

(b) the penalty exceeds five lakh rupees and the tax authority levying the penalty is in the rank of Assistant Commissioner or Deputy Commissioner.

(5) Every order of penalty issued under this Chapter shall be accompanied by a notice of demand in respect of the amount of penalty imposed and such notice of demand shall be deemed to be a notice under section 13.

47. (1) No order imposing a penalty under this Chapter shall be passed after the expiry of a period of one year from the end of the financial year in which the notice for imposition of penalty is issued under section 46. Bar of limitation for imposing penalty.

(2) An order imposing, or dropping the proceedings for imposition of, penalty under this Chapter may be revised, or revived, as the case may be, on the basis of assessment of the undisclosed foreign income and asset as revised after giving effect to the order of the Commissioner (Appeals), the Appellate Tribunal, the High Court or the Supreme Court or order of revision under section 23 or section 24.

(3) An order revising or reviving the penalty under sub-section (2) shall not be passed after the expiry of a period of six months from the end of the month in which order of the Commissioner (Appeals), the Appellate Tribunal, the High Court or the Supreme Court is received by the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or the order of revision under section 23 or section 24 is passed.

(4) In computing the period of limitation for the purposes of this section, the following time or period shall not be included—

(a) the time taken in giving an opportunity to the assessee to be reheard under section 7; and

(b) any period during which a proceeding under this Chapter for the levy of penalty is stayed by an order, or injunction, of any court.

CHAPTER V

OFFENCES AND PROSECUTIONS

Chapter not in derogation of any other law or any other provision of this Act.

48. (1) The provisions of this Chapter shall be in addition to, and not in derogation of, the provisions of any other law providing for prosecution for offences thereunder.

(2) The provisions of this Chapter shall be independent of any order under this Act that may be made, or has not been made, on any person and it shall be no defence that the order has not been made on account of time limitation or for any other reason.

Punishment for failure to furnish return in relation to foreign income and asset.

49. If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who at any time during the previous year, held any asset (including financial interest in any entity) located outside India as a beneficial owner or otherwise, or was a beneficiary of such asset or had income from a source outside India and wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (1) of section 139 of that Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (1) of section 139 of the Income-tax Act if the return is furnished by him before the expiry of the assessment year.

Punishment for failure to furnish in return of income, any information about an asset (including financial interest in any entity) located outside India.

50. If any person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who has furnished the return of income for any previous year under sub-section (1) or sub-section (4) or sub-section (5) of section 139 of that Act, wilfully fails to furnish in such return any information relating to an asset (including financial interest in any entity) located outside India, held by him, as a beneficial owner or otherwise or in which he was a beneficiary, at any time during such previous year, or disclose any income from a source outside India, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment for wilful attempt to evade tax.

51. (1) If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than three years but which may extend to ten years and with fine.

(2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine.

(3) For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

(i) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement; or

(ii) makes or causes to be made any false entry or statement in such books of account or other documents; or

(iii) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or

(iv) causes any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

52. If a person makes a statement in any verification under this Act or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment
for false
statement in
verification.

53. If a person abets or induces in any manner another person to make and deliver an account or a statement or declaration relating to tax payable under this Act which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 51, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment
for abetment.

54. (1) In any prosecution for any offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Presumption
as to culpable
mental state.

Explanation.—In this sub-section, “culpable mental state” includes intention, motive or knowledge of a fact or belief in, or reason to believe, a fact.

(2) For the purposes of this section, a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.

55. (1) A person shall not be proceeded against for an offence under section 49 to section 53 (both inclusive) except with the sanction of the Principal Commissioner or Commissioner or the Commissioner (Appeals), as the case may be.

Prosecution
to be at
instance
of Principal
Chief
Commissioner
or Chief
Commissioner
or Principal
Commissioner
or
Commissioner.

(2) The Principal Chief Commissioner or the Chief Commissioner may issue such instructions, or directions, to the tax authorities referred to in sub-section (1) as he may think fit for the institution of proceedings under this section.

(3) The power of the Board to issue orders, instructions or directions under this Act shall include the power to issue orders, instructions or directions (including instructions or directions to obtain its previous approval) to other tax authorities for the proper initiation of proceedings of offences (including an authorisation to file and pursue complaints by one or more Inspectors of tax) under this section.

56. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Offences by
companies.

(2) Nothing in sub-section (1) shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director,

manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(4) Where an offence under this Act has been committed by a person, being a company, and the punishment for such offence is imprisonment and fine, then, without prejudice to sub-section (1) or sub-section (3), such company shall be punished with fine and every person, referred to in sub-section (1), or the director, manager, secretary or other officer of the company referred to in sub-section (3), shall be liable to be proceeded against and punished in accordance with the provisions of this Act.

(5) In this section—

(a) “company” means a body corporate, and includes —

- (i) an unincorporated body;
- (ii) a Hindu undivided family;

(b) “director”, in relation to —

- (i) an unincorporated body, means a participant in the body;
- (ii) a Hindu undivided family, means an adult member of the family; and
- (iii) a company, means a whole-time director, or where there is no such director, any other director or manager or officer, who is in charge of the affairs of the company.

Proof of entries in records or documents.

57. (1) The entries in the records, or other documents, in the custody of a tax authority shall be admitted in evidence in any proceeding for the prosecution of any person for an offence under this Chapter.

(2) The entries referred to in sub-section (1) may be proved by the production of—

- (a) the records or other documents (containing such entries) in the custody of the tax authority; or
- (b) a copy of the entries certified by that authority under its signature, as true copy of the original entries contained in the records or other documents in its custody.

Punishment for second and subsequent offences.

58. If any person convicted of an offence under section 49 to section 53 (both inclusive) is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and every subsequent offence with rigorous imprisonment for a term which shall not be less than three years, but which may extend to ten years and with fine which shall not be less than five lakh rupees, but which may extend to one crore rupees.

CHAPTER VI

TAX COMPLIANCE FOR UNDISCLOSED FOREIGN INCOME AND ASSETS

Declaration of undisclosed foreign asset.

59. Subject to the provisions of this Chapter, any person may make, on or after the date of commencement of this Act but on or before a date to be notified by the Central Government in the Official Gazette, a declaration in respect of any undisclosed asset located outside India and acquired from income chargeable to tax under the Income-tax Act for any assessment year prior to the assessment year beginning on 1st day of April, 2016—

(a) for which he has failed to furnish a return under section 139 of the Income-tax Act;

(b) which he has failed to disclose in a return of income furnished by him under the Income-tax Act before the date of commencement of this Act;

(c) which has escaped assessment by reason of the omission or failure on the part of such person to make a return under the Income-tax Act or to disclose fully and truly all material facts necessary for the assessment or otherwise.

60. Notwithstanding anything contained in the Income-tax Act or in any Finance Act, the undisclosed asset located outside India and declared under section 59 within the time specified therein shall be chargeable to tax at the rate of thirty per cent. of value of such undisclosed asset on the date of commencement of this Act. Charge of tax.

61. Notwithstanding anything contained in the Income-tax Act or in any Finance Act, the person making a declaration of undisclosed asset located outside India shall, in addition to tax charged under section 60, be liable to penalty at the rate of one hundred per cent. of such tax. Penalty.

62. (1) A declaration under section 59 shall be made to the Principal Commissioner or the Commissioner and shall be in such form and shall be verified in such manner as may be prescribed. Manner of declaration.

(2) The declaration shall be signed,—

(i) where the declarant is an individual, by the individual himself; where such individual is absent from India, by the individual concerned or by some person duly authorised by him in this behalf; and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(ii) where the declarant is a Hindu undivided family, by the *karta*, and where the *karta* is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;

(iii) where the declarant is a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign the declaration or where there is no managing director, by any director thereof;

(iv) where the declarant is a firm, by the managing partner thereof, or where for any unavoidable reason such managing partner is not able to sign the declaration, or where there is no managing partner as such, by any partner thereof, not being a minor;

(v) where the declarant is any other association, by any member of the association or the principal officer thereof; and

(vi) where the declarant is any other person, by that person or by some other person competent to act on his behalf.

(3) Any person, who has made a declaration under sub-section (1) in respect of his asset or as a representative assessee in respect of the asset of any other person, shall not be entitled to make any other declaration, under that sub-section in respect of his asset or the asset of such other person, and any such other declaration, if made, shall be deemed to be void.

63. (1) The tax payable under section 60 and penalty payable under section 61 in respect of the undisclosed asset located outside India, shall be paid on or before a date to be notified by the Central Government in the Official Gazette. Time for payment of tax.

(2) The declarant shall file the proof of payment of tax and penalty on or before the date notified under sub-section (1), with the Principal Commissioner or the Commissioner before whom the declaration under section 59 was made.

(3) If the declarant fails to pay the tax in respect of the declaration made under section 59 on or before the date notified under sub-section (1), the declaration filed by him shall be deemed never to have been made under this Chapter.

Undisclosed foreign asset declared not to be included in total income.

64. The amount of undisclosed investment in an asset located outside India declared in accordance with section 59 shall not be included in the total income of the declarant for any assessment year under the Income-tax Act, if the declarant makes the payment of tax referred to in section 60 and the penalty referred to in section 61 by the date notified under sub-section (1) of section 63.

Undisclosed foreign asset declared not to affect finality of completed assessments.

65. The declarant shall not be entitled, in respect of undisclosed asset located outside India declared or any amount of tax paid thereon, to reopen any assessment or reassessment made under the Income-tax Act or the Wealth-tax Act, 1957 or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment or reassessment.

27 of 1957.

Tax in respect of voluntarily disclosed asset not refundable.

66. Any amount of tax paid under section 60 or penalty paid under section 61 in pursuance of a declaration made under section 59 shall not be refundable.

Declaration not admissible in evidence against declarant.

67. Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under section 59 shall be admissible in evidence against the declarant for the purpose of any proceeding relating to imposition of penalty, other than the penalty leviable under section 61, or for the purposes of prosecution under the Income-tax Act or the Wealth-tax Act, 1957 or the Foreign Exchange Management Act, 1999 or the Companies Act, 2013 or the Customs Act, 1962.

27 of 1957.
42 of 1999.
18 of 2013.
52 of 1962.

Declaration by misrepresentation of facts to be void.

68. Notwithstanding anything contained in this Chapter, where a declaration has been made by misrepresentation or suppression of facts, such declaration shall be void and shall be deemed never to have been made under this Chapter.

Exemption from wealth-tax in respect of assets specified in declaration.

69. (1) Where the undisclosed asset located outside India is represented by cash (including bank deposits), bullion or any other assets specified in the declaration made under section 59—

(a) in respect of which the declarant has failed to furnish a return under section 14 of the Wealth-tax Act, 1957 for the assessment year commencing on or before the 1st day of April, 2015; or

27 of 1957.

(b) which have not been shown in the return of net wealth furnished by him for the said assessment year or years; or

(c) which have been understated in value in the return of net wealth furnished by him for the said assessment year or years,

then, notwithstanding anything contained in the Wealth-tax Act, 1957 or any rules made thereunder,—

27 of 1957.

(I) wealth-tax shall not be payable by the declarant in respect of the assets referred to in clause (a) or clause (b) and such assets shall not be included in his net wealth for the said assessment year or years;

(II) the amount by which the value of the assets referred to in clause (c) has been understated in the return of net wealth for the said assessment year or years, to the extent such amount does not exceed the voluntarily disclosed income utilised for acquiring such assets, shall not be taken into account in computing the net wealth of the declarant for the said assessment year or years.

Explanation.—Where a declaration under section 59 is made by a firm, the assets referred to in clause (I) or, as the case may be, the amount referred to in clause (II) shall not be taken into account in computing the net wealth of any partner of the firm or, as the case may be, in determining the value of the interest of any partner in the firm.

(2) The provisions of sub-section (1) shall not apply unless the conditions specified in sub-sections (1) and (2) of section 63 are fulfilled by the declarant.

27 of 1957. 70. The provisions of Chapter XV of the Income-tax Act relating to liability in special cases and of section 189 of that Act or of Chapter V of the Wealth-tax Act, 1957 relating to liability to assessment in special cases shall, so far as may be, apply in relation to proceedings under this Chapter as they apply in relation to proceedings under the Income-tax Act or, as the case may be, the Wealth-tax Act.

Applicability of certain provisions of Income-tax Act and of Chapter V of Wealth-tax Act.

71. The provisions of this Chapter shall not apply—

Chapter not to apply to certain persons.

52 of 1974. (a) to any person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974:

Provided that—

(i) such order of detention, being an order to which the provisions of section 9 or section 12A of the said Act do not apply, has not been revoked on the report of the Advisory Board under section 8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention, being an order to which the provisions of section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section 9, or on the report of the Advisory Board under section 8, read with sub-section (2) of section 9, of the said Act; or

(iii) such order of detention, being an order to which the provisions of section 12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under section 8, read with sub-section (6) of section 12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

45 of 1860.
61 of 1985.
37 of 1967.
49 of 1988.

(b) in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Unlawful Activities (Prevention) Act, 1967, the Prevention of Corruption Act, 1988;

27 of 1992.

(c) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

(d) in relation to any undisclosed asset located outside India which has been acquired from income chargeable to tax under the Income-tax Act for any previous year relevant to an assessment year prior to the assessment year beginning on the 1st day of April, 2016—

(i) where a notice under section 142 or sub-section (2) of section 143 or section 148 or section 153A or section 153C of the Income-tax Act has been issued in respect of such assessment year and the proceeding is pending before the Assessing Officer; or

(ii) where a search has been conducted under section 132 or requisition has been made under section 132A or a survey has been carried out under section 133A of the Income-tax Act in a previous year and a notice under sub-section (2) of section 143 for the assessment year relevant to such previous year or a notice under section 153A or under section 153C of the said Act for an

assessment year relevant to any previous year prior to such previous year has not been issued and the time for issuance of such notice has not expired; or

(iii) where any information has been received by the competent authority under an agreement entered into by the Central Government under section 90 or section 90A of the Income-tax Act in respect of such undisclosed asset.

Explanation.—For the purpose of this sub-clause asset shall include a bank account whether having any balance or not.

Removal of doubts.

72. For the removal of doubts, it is hereby declared that—

(a) save as otherwise expressly provided in the *Explanation* to sub-section (1) of section 69, nothing contained in this Chapter shall be construed as conferring any benefit, concession or immunity on any person other than the person making the declaration under this Chapter;

(b) where any declaration has been made under section 59 but no tax and penalty has been paid within the time specified under section 60 and section 61, the value of such asset shall be chargeable to tax under this Act in the previous year in which such declaration is made;

(c) where any asset has been acquired or made prior to commencement of this Act, and no declaration in respect of such asset is made under this Chapter, such asset shall be deemed to have been acquired or made in the year in which a notice under section 10 is issued by the Assessing Officer and the provisions of this Act shall apply accordingly.

CHAPTER VII

GENERAL PROVISIONS

Agreement with foreign countries or specified territories.

73. (1) The Central Government may enter into an agreement with the Government of any other country—

(a) for exchange of information for the prevention of evasion or avoidance of tax on undisclosed foreign income chargeable under this Act or under the corresponding law in force in that country, or investigation of cases of such evasion or avoidance;

(b) for recovery of tax under this Act and under the corresponding law in force in that country.

(2) The Central Government may enter into an agreement with the Government of any specified territory outside India for the purposes specified in sub-section (1).

(3) The Central Government may, by notification, make such provisions as may be necessary for implementing the agreements referred to in sub-sections (1) and (2).

(4) Any specified association in India may enter into an agreement with any specified association in the specified territory outside India for the purposes of sub-section (1) and the Central Government may by notification make such provisions as may be necessary for adopting and implementing such agreement.

(5) Any term used but not defined in this Act or in the agreement referred to in sub-sections (1), (2) or sub-section (4) shall, unless the context otherwise requires, and is not inconsistent with the provisions of this Act or the agreement, have the meaning assigned to it in the notification issued by the Central Government and such meaning shall be deemed to have effect from the date on which the said agreement came into force.

74. (1) The service of any notice, summons, requisition, order or any other communication under this Act (herein referred to in this section as "communication") may be made by delivering or transmitting a copy thereof, to the person named therein,—

Service of notice generally.

(a) by post or by such courier service as may be approved by the Board;

5 of 1908.

(b) in such manner as provided under the Code of Civil Procedure, 1908 for the purposes of service of summons;

21 of 2000.

(c) in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000; or

(d) by any other means of transmission of documents, including fax message or electronic mail message, as may be prescribed.

(2) The Board may make rules providing for the addresses including the address for electronic mail or electronic mail message to which the communication referred to in sub-section (1) may be delivered or transmitted to the person named therein.

21 of 2000.

(3) In this section, the expressions "electronic mail" and "electronic mail message" shall have the same meanings as assigned to them in the *Explanation* to section 66A of the Information Technology Act, 2000.

75. (1) A notice or any other document required to be issued, served or given for the purposes of this Act by any tax authority shall be authenticated by that authority.

Authentication of notices and other documents.

(2) Every notice or other document to be issued, served or given for the purposes of this Act by any tax authority shall be deemed to be authenticated, if the name and office of a designated tax authority is printed, stamped or otherwise written thereon.

(3) In this section, a designated tax authority shall mean any tax authority authorised by the Board to issue, serve or give such notice or other document after authentication in the manner as provided in sub-section (2).

76. (1) A notice which is required to be served upon a person for the purposes of assessment under this Act shall be deemed to have been duly served upon him in accordance with the provisions of this Act, if the person has appeared in any proceeding or co-operated in any inquiry relating to an assessment.

Notice deemed to be valid in certain circumstances.

(2) The person, referred to in sub-section (1), shall be precluded from taking any objection in any proceeding or inquiry under this Act that the notice was—

(a) not served upon him;

(b) not served upon him in time; or

(c) served upon him in an improper manner.

(3) The provisions of this section shall not apply, if the person has raised the objection before the completion of the assessment.

77. (1) Any assessee who is entitled or required to attend before any tax authority or the Appellate Tribunal, in connection with any matter relating to the valuation of any asset, may attend through a valuer approved by the Principal Commissioner or the Commissioner in accordance with such rules as may be prescribed.

Appearance by approved valuer in certain matters.

(2) The provisions of sub-section (1) shall not apply in a case where the assessee is required to attend personally for examination on oath or affirmation under section 8.

Appearance
by authorised
representative.

78. (1) Any assessee who is entitled or required to attend before any tax authority or the Appellate Tribunal, in connection with any proceeding under this Act, may attend through an authorised representative.

(2) The provisions of sub-section (1) shall not apply in a case where the assessee is required to attend personally for examination on oath or affirmation under section 8.

(3) In this section, "authorised representative" means a person authorised by the assessee in writing to appear on his behalf, being—

(a) a person related to the assessee in any manner, or a person regularly employed by the assessee;

(b) any officer of a scheduled bank with which the assessee maintains a current account or has other regular dealings;

(c) any legal practitioner who is entitled to practice in any civil court in India;

(d) an accountant;

(e) any person who has passed any accountancy examination recognised in this behalf by the Board; or

(f) any person who has acquired such educational qualifications as may be prescribed.

(4) The following persons shall not be qualified to represent an assessee under sub-section (1), namely:—

(a) a person who has been dismissed or removed from Government service,

(b) a legal practitioner, or an accountant, who is found guilty of misconduct in his professional capacity by any authority entitled to institute disciplinary proceedings against him;

(c) a person, not being a legal practitioner or an accountant, who is found guilty of misconduct in any tax proceedings by such authority as may be prescribed.

(5) The Principal Chief Commissioner or the Chief Commissioner may, by an order in writing, specify the period upto which the disqualification under sub-section (4) shall continue, having regard to the nature of misconduct and such disqualification shall not exceed—

(i) in case of clauses (a) and (c) of sub-section (4), a period of ten years;

(ii) in case of clause (b) of sub-section (4), the period for which the legal practitioner or an accountant is not entitled to practice.

(6) A person shall not be allowed to appear as an authorised representative, if he has committed any fraud or misrepresented the facts which resulted in loss to the revenue and that person has been declared as such by an order of the Principal Chief Commissioner or the Chief Commissioner.

Explanation.—In this section, "accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act.

38 of 1949.

Rounding off
of income,
value of asset
and tax.

79. (1) The amount of undisclosed foreign income and asset computed in accordance with this Act shall be rounded off to the nearest multiple of one hundred rupees.

(2) Any amount payable or receivable by the assessee under this Act shall be rounded off to the nearest multiple of ten rupees.

(3) The method of rounding off under sub-section (1) or sub-section (2), shall be such as may be prescribed.

- 80.** No court inferior to that of a metropolitan magistrate or a magistrate of the First Class shall try any offence under this Act. Congnizance of offences.
- 81.** No assessment, notice, summons or other proceedings, made or issued or taken or purported to have been made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such assessment, notice, summons or other proceeding if such assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act. Assessment not to be invalid on certain grounds.
- 82.** (1) No suit shall be brought in any civil court to set aside or modify any proceeding taken or order made under this Act. Bar of suits in civil courts.
- (2) No prosecution, suit or other proceeding shall lie against the Government or any officer of the Government, for anything in good faith done or intended to be done, under this Act.
- 83.** Notwithstanding anything contained in the Income-tax Act, all information contained in any statement or return made or furnished under the provisions of that Act or obtained or collected for the purposes of the said Act may be used for the purposes of this Act. Income-tax papers to be available for purposes of this Act.
- 84.** The provisions of clauses (c) and (d) of sub-section (1) of section 90, clauses (c) and (d) of sub-section (1) of section 90A, sections 119, 133, 134, 135, 138, Chapter XV and sections 237, 240, 245, 280, 280A, 280B, 280D, 281, 281B and 284 of the Income-tax Act shall apply with necessary modifications as if the said provisions refer to undisclosed foreign income and asset instead of to income-tax. Application of provisions of Income-tax Act.
- 85.** (1) The Board may, subject to the approval of the Central Government, by notification in the Official Gazette, make rules for carrying out the provisions of this Act. Power to make rules.
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—
- (a) the manner of determination of the value of an undisclosed foreign asset referred to in sub-section (2) of section 3;
 - (b) the tax authority to be prescribed for any of the purposes of this Act;
 - (c) the form and manner of service of a notice of demand under section 13;
 - (d) the form in which any appeal, revision or cross-objection may be filed under this Act, the manner in which they may be verified and the fee payable in respect thereof;
 - (e) the form in which the Tax Recovery Officer may draw up the statement of tax arrears under sub-section (1) of section 31;
 - (f) the manner in which the sum is to be paid to the credit of Central Government under sub-section (2) or sub-section (5) of section 32;
 - (g) the manner in which the Tax Recovery Officer shall send a certificate referred to in sub-section (2) of section 33;
 - (h) the form in which a declaration referred to in sub-section (1) of section 62 is to be made and the manner in which it is to be verified;
 - (i) the means of transmission of documents under clause (d) of sub-section (1) of section 74;
 - (j) the procedure for approval of a valuer by the Principal Commissioner or the Commissioner under section 77;

(k) the educational qualifications required, to be an authorised representative under clause (f) of sub-section (3) of section 78;

(l) the tax authority under clause (c) of sub-section (4) of section 78;

(m) the method of rounding off of the amount referred to in sub-section (1) or sub-section (2) of section 79;

(n) any other matter which by this Act is to be, or may be, prescribed.

(3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act and no retrospective effect shall be given to any rule so as to prejudicially affect the interest of assesseees.

(4) The Central Government shall cause every rule made under this Act to be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to
remove
difficulties.

86. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty :

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Act come into force.

(2) Every order made under this section shall be laid before each House of Parliament.

Amendment
of section 2
of Act 54 of
1963.

87. In section 2 of the Central Boards of Revenue Act, 1963, in sub-clause (1) of clause (c),—

(a) in item (vii), the word “and” occurring at the end shall be omitted; and

(b) after item (ix) as so amended, the following item shall be inserted, namely:—

“(x) the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015; and”

Amendment
of Act of 15
of 2003.

88. In the Prevention of Money-laundering Act, 2002, in the Schedule, in Part C, after entry (3), relating to the offences against property under Chapter XVII of the Indian Penal Code, the following entry shall be inserted, namely:—

“(4) The offence of wilful attempt to evade any tax, penalty or interest referred to in section 51 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.”

THE CONSTITUTION (ONE HUNDREDTH AMENDMENT) ACT, 2015

AN

ACT

further to amend the Constitution of India to give effect to the acquiring of territories by India and transfer of certain territories to Bangladesh in pursuance of the agreement and its protocol entered into between the Governments of India and Bangladesh.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. This Act may be called the Constitution (One Hundredth Amendment) Act, 2015.

Short title.

2. In this Act,—

Definitions.

(a) “acquired territory” means so much of the territories comprised in the India-Bangladesh agreement and its protocol and referred to in the First Schedule as are demarcated for the purpose of being acquired by India from Bangladesh in pursuance of the agreement and its protocol referred to in clause (c);

(b) “appointed day” means such date as the Central Government may, by notification in the Official Gazette, appoint as the date for acquisition of territories from Bangladesh and transfer of the territories to Bangladesh in pursuance of the India-Bangladesh agreement and its protocol, after causing the territories to be so acquired and transferred as referred to in the First Schedule and Second Schedule and demarcated for the purpose;

(c) “India-Bangladesh agreement” means the agreement between the Government of the Republic of India and the Government of the People’s Republic of Bangladesh concerning the Demarcation of the Land Boundary between India and Bangladesh and Related Matters dated the 16th day of May, 1974, Exchange of Letters dated the 26th day of December, 1974, the 30th day of December, 1974, the 7th day of October, 1982, the 26th day of March, 1992 and protocol to the said agreement dated the 6th day of September, 2011, entered into between the Governments of India and Bangladesh, the relevant extracts of which are set out in the Third Schedule;

(d) “transferred territory”, means so much of the territories comprised in the India-Bangladesh agreement and its protocol and referred to in the Second Schedule as are demarcated for the purpose of being transferred by India to Bangladesh in pursuance of the agreements and its protocol referred to in clause (c).

3. As from the appointed day, in the First Schedule to the Constitution,—

(a) in the paragraph relating to the territories of the State of Assam, the words, brackets and figures “and the territories referred to in Part I of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015, notwithstanding anything contained in clause (a) of section 3 of the Constitution (Ninth Amendment) Act, 1960, so far as it relates to the territories referred to in Part I of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015”, shall be added at the end;

(b) in the paragraph relating to the territories of the State of West Bengal, the words, brackets and figures “and also the territories referred to in Part III of the First Schedule but excluding the territories referred to in Part III of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015, notwithstanding anything contained in clause (c) of section 3 of the Constitution (Ninth Amendment) Act, 1960, so far as it relates to the territories referred to in Part III of the First Schedule and the territories referred to in Part III of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015”, shall be added at the end;

(c) in the paragraph relating to the territories of the **State of Meghalaya**, the words, brackets and figures “and the territories referred to in **Part I of the First Schedule** but excluding the territories referred to in **Part II of the Second Schedule** to the Constitution (One Hundredth Amendment) Act, 2015”. **shall be added at the end;**

(d) in the paragraph relating to the territories of the **State of Tripura**, the words, brackets and figures “and the territories referred to in **Part II of the First Schedule** to the Constitution (One Hundredth Amendment) Act, 2015, notwithstanding anything contained in clause (d) of section 3 of the Constitution (Ninth Amendment) Act, 1960, so far as it relates to the territories referred to in **Part II of the First Schedule** to the Constitution (One Hundredth Amendment) Act, 2015”, shall be added at the end.

Amendment
of First
Schedule to
Constitution.

THE FIRST SCHEDULE

[See sections 2(a), 2(b) and 3]

PART I

The acquired territory in relation to Article 2 of the agreement dated the 16th day of May, 1974 and Article 3 (I) (b) (ii) (iii) (iv) (v) of the protocol dated the 6th day of September, 2011.

PART II

The acquired territory in relation to Article 2 of the agreement dated the 16th day of May, 1974 and Article 3 (I) (c) (i) of the protocol dated the 6th day of September, 2011.

PART III

The acquired territory in relation to Articles 1(12) and 2 of the agreement dated the 16th day of May, 1974 and Articles 2 (II), 3 (I) (a) (iii) (iv) (v) (vi) of the protocol dated the 6th day of September, 2011.

THE SECOND SCHEDULE

[See sections 2(b), 2(d) and 3]

PART I

The transferred territory in relation to Article 2 of the agreement dated 16th day of May, 1974 and Article 3 (I) (d) (i) (ii) of the protocol dated 6th day of September, 2011.

PART II

The transferred territory in relation to Article 2 of the agreement dated the 16th day of May, 1974 and Article 3 (I) (b) (i) of the protocol dated 6th day of September, 2011.

PART III

The transferred territory in relation to Articles 1(12) and 2 of the agreement dated the 16th day of May, 1974 and Articles 2 (II), 3 (I) (a) (i) (ii) (vi) of the protocol dated the 6th day of September, 2011.

THE THIRD SCHEDULE

[See section 2(c)]

I. EXTRACTS FROM THE AGREEMENT BETWEEN GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING THE DEMARCATION OF THE LAND BOUNDARY BETWEEN INDIA AND BANGLADESH AND RELATED MATTERS DATED THE 16TH DAY OF MAY, 1974

Article 1 (12): ENCLAVES

The Indian enclaves in Bangladesh and the Bangladesh enclaves in India should be exchanged expeditiously, excepting the enclaves mentioned in paragraph 14 without claim to compensation for the additional area going to Bangladesh.

Article 2:

The Governments of India and Bangladesh agree that territories in adverse possession in areas already demarcated in respect of which boundary strip maps are already prepared, shall be exchanged within six months of the signing of the boundary strip maps by the plenipotentiaries. They may sign the relevant maps as early as possible as and in any case not later than the 31st December, 1974. Early measures may be taken to print maps in respect of other areas where demarcation has already taken place. These should be printed by the 31st May, 1975 and signed by the plenipotentiaries thereafter in order that the exchange of adversely held possessions in these areas may take place by the 31st December, 1975. In sectors still to be demarcated, transfer of territorial jurisdiction may take place within six months of the signature by plenipotentiaries on the concerned boundary strip maps.

II. EXTRACTS FROM THE PROTOCOL TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING THE DEMARCATION OF THE LAND BOUNDARY BETWEEN INDIA AND BANGLADESH AND RELATED MATTERS, DATED THE 6TH DAY OF SEPTEMBER, 2011

Article 2:

(II) Article 1 Clause 12 of the 1974 Agreement shall be implemented as follows:—

Enclaves

111 Indian Enclaves in Bangladesh and 51 Bangladesh Enclaves in India as per the jointly verified cadastral enclave maps and signed at the level of DGLR&S, Bangladesh and DLR&S, West Bengal (India) in April, 1997, shall be exchanged without claim to compensation for the additional areas going to Bangladesh.

Article 3:

(I) Article 2 of the 1974 Agreement shall be implemented as follows:—

The Government of India and the Government of Bangladesh agree that the boundary shall be drawn as a fixed boundary for territories held in Adverse Possession as determined through joint survey and fully depicted in the respective adversely possessed land area Index Map (APL map) finalised by the Land Records and Survey Departments of both the countries between December, 2010 and August, 2011, which are fully described in clause (a) to (d) below.

The relevant strip maps shall be printed and signed by the Plenipotentiaries and transfer of territorial jurisdiction shall be completed simultaneously with the exchange of enclaves. The demarcation of the boundary, as depicted in the above-mentioned Index Maps, shall be as under:—

(a) **West Bengal Sector**

(i) *Bousmari – Madhugari (Kushtia-Nadia) area*

The boundary shall be drawn from the existing Boundary Pillar Nos. 154/5-S to 157/1-S to follow the centre of old course of river Mathabanga, as depicted in consolidation map of 1962, as surveyed jointly and agreed in June, 2011.

(ii) *Andharkota (Kushtia-Nadia) area*

The boundary shall be drawn from existing Boundary Pillar No. 152/5-S to Boundary Pillar No. 153/1-S to follow the edge of existing River Mathabanga as jointly surveyed and agreed in June, 2011.

(iii) *Pakuria (Kushtia-Nadia) area*

The boundary shall be drawn from existing Boundary Pillar No. 151/1-S to Boundary Pillar No. 152/2-S to follow the edge of River Mathabanga as jointly surveyed and agreed in June, 2011.

(iv) *Char Mahishkundi (Kushtia-Nadia) area*

The boundary shall be drawn from existing Boundary Pillar No. 153/1-S to Boundary Pillar No. 153/9-S to follow the edge of River Mathabanga as jointly surveyed and agreed in June, 2011.

(v) *Haripal/Khutadah/Battoli/Sapameri/LNpur (Patari) (Naogaon-Malda) area*

The boundary shall be drawn as line joining from existing Boundary Pillar No. 242/S/13, to Boundary Pillar No. 243/7-S/5 and as jointly surveyed and agreed in June, 2011.

(vi) *Berubari (Panchagarh-Jalpaiguri area)*

The boundary in the area Berubari (Panchagarh-Jalpaiguri) adversely held by Bangladesh, and Berubari and Singhapara-Khudipara (Panchagarh-Jalpaiguri), adversely held by India shall be drawn as jointly demarcated during 1996-1998.

(b) **Meghalaya Sector**(i) *Lobachera-Nuncherra*

The boundary from existing Boundary Pillar No. 1315/4-S to Boundary Pillar No. 1315/15-S in Lailong - Balichera, Boundary Pillar No. 1316/1-S to Boundary Pillar No. 1316/11-S in Lailong- Noonchera, Boundary Pillar No. 1317 to Boundary Pillar No. 1317/13-S in Lailong- Lahiling and Boundary Pillar No. 1318/1-S to Boundary Pillar No. 1318/2-S in Lailong- Lobhachera shall be drawn to follow the edge of tea gardens as jointly surveyed and agreed in December, 2010.

(ii) *Pyrdiwah/ Padua Area*

The boundary shall be drawn from existing Boundary Pillar No. 1270/1-S as per jointly surveyed and mutually agreed line till Boundary Pillar No. 1271/1-T. The Parties agree that the Indian Nationals from Pyrdiwah village shall be allowed to draw water from Piyang River near point No. 6 of the agreed Map.

(iii) *Lyngkhat Area*(aa) *Lyngkhat-I / Kulumcherra and Lyngkhat-II/ Kulumcherra*

The boundary shall be drawn from existing Boundary Pillar No. 1264/4-S to Boundary Pillar No. 1265 and BP No. 1265/6-S to 1265/9-S as per jointly surveyed and mutually agreed line.

(ab) *Lyngkhat-III/Sonarhat*

The boundary shall be drawn from existing Boundary Pillar No. 1266/13-S along the nallah southwards till it meets another nallah in the east-west direction, thereafter it shall run along the northern edge of the nallah in east till it meets the existing International Boundary north of Reference Pillar Nos. 1267/4-R-B and 1267/3-R-I.

(iv) *Dawki/Tamabil area*

The boundary shall be drawn by a straight line joining existing Boundary Pillar Nos. 1275/1-S to Boundary Pillar Nos. 1275/7-S. The Parties agree to fencing on 'zero line' in this area.

(v) *Naljuri/Sreepur Area*(aa) *Naljuri I*

The boundary shall be a line from the existing Boundary Pillar No. 1277/2-S in southern direction up to three plots as depicted in the strip Map No. 166 till it meets the nallah flowing from Boundary Pillar No. 1277/5-T, thereafter it will run along the western edge of the nallah in the southern direction up to 2 plots on the Bangladesh side, thereafter it shall run eastwards till it meets a line drawn in southern direction from Boundary Pillar No. 1277/4-S.

(ab) *Naljuri III*

The boundary shall be drawn by a straight line from existing Boundary Pillar No. 1278/2-S to Boundary Pillar No. 1279/3-S.

(vi) *Muktapur/ Dibir Hawor Area*

The Parties agree that the Indian Nationals shall be allowed to visit Kali Mandir and shall also be allowed to draw water and exercise fishing rights in the water body in the Muktapur / Dibir Hawor area from the bank of Muktapur side.

(c) **Tripura Sector**(i) *Chandannagar-Champarai Tea Garden area in Tripura/ Mouly Bazar sector*

The boundary shall be drawn along Sonaraichhera river from existing Boundary Pillar No. 1904 to Boundary Pillar No. 1905 as surveyed jointly and agreed in July, 2011.

(d) **Assam Sector**(i) *Kalabari (Boroibari) area in Assam sector*

The boundary shall be drawn from existing Boundary Pillar No. 1066/24-T to Boundary Pillar No. 1067/16-T as surveyed jointly and agreed in August, 2011.

(ii) *Pallathal area in Assam sector*

The boundary shall be drawn from existing Boundary Pillar No. 1370/3-S to 1371/6-S to follow the outer edge of the tea garden and from Boundary Pillar No. 1372 to 1373/2-S along outer edge of the pan plantation.

III. LIST OF EXCHANGE OF ENCLAVES BETWEEN INDIA AND BANGLADESH IN PURSUANT TO ARTICLE I (12) OF THE AGREEMENT DATED 16TH MAY 1974 AND THE PROTOCOL TO THE AGREEMENT DATED 6TH SEPTEMBER, 2011

A. EXCHANGEABLE INDIAN ENCLAVES IN BANGLADESH WITH AREA

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
A. Enclaves with independent chhits					
1.	Garati	75	Pochagar	Haldibari	58.23
2.	Garati	76	Pochagar	Haldibari	0.79
3.	Garati	77	Pochagar	Haldibari	18

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
4.	Garati	78	Pochagar	Haldibari	958.66
5.	Garati	79	Pochagar	Haldibari	1.74
6.	Garati	80	Pochagar	Haldibari	73.75
7.	Bingimari Part-I	73	Pochagar	Haldibari	6.07
8.	Nazirganja	41	Boda	Haldibari	58.32
9.	Nazirganja	42	Boda	Haldibari	434.29
10.	Nazirganja	44	Boda	Haldibari	53.47
11.	Nazirganja	45	Boda	Haldibari	1.07
12.	Nazirganja	46	Boda	Haldibari	17.95
13.	Nazirganja	47	Boda	Haldibari	3.89
14.	Nazirganja	48	Boda	Haldibari	73.27
15.	Nazirganja	49	Boda	Haldibari	49.05
16.	Nazirganja	50	Boda	Haldibari	5.05
17.	Nazirganja	51	Boda	Haldibari	0.77
18.	Nazirganja	52	Boda	Haldibari	1.04
19.	Nazirganja	53	Boda	Haldibari	1.02
20.	Nazirganja	54	Boda	Haldibari	3.87
21.	Nazirganja	55	Boda	Haldibari	12.18
22.	Nazirganja	56	Boda	Haldibari	54.04
23.	Nazirganja	57	Boda	Haldibari	8.27
24.	Nazirganja	58	Boda	Haldibari	14.22
25.	Nazirganja	60	Boda	Haldibari	0.52
26.	Putimari	59	Boda	Haldibari	122.8
27.	Daikhata Chhat	38	Boda	Haldibari	499.21
28.	Salbari	37	Boda	Haldibari	1188.93
29.	Kajal Dighi	36	Boda	Haldibari	771.44
30.	Nataktoka	32	Boda	Haldibari	162.26
31.	Nataktoka	33	Boda	Haldibari	0.26
32.	Beuladanga Chhat	35	Boda	Haldibari	0.83
33.	Balapara Iagrabar	3	Debiganj	Haldibari	1752.44
34.	Bara Khankikharija Citaldaha	30	Dimla	Haldibari	7.71
35.	Bara Khankikharija Citaldaha	29	Dimla	Haldibari	36.83
36.	Barakhangir	28	Dimla	Haldibari	30.53

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
37.	Nagarjikobari	31	Dimla	Haldibari	33.41
38.	Kuchlibari	26	Patgram	Mekliganj	5.78
39.	Kuchlibari	27	Patgram	Mekliganj	2.04
40.	Bara Kuchlibari	Fragment of J.L. 107 of P.S Mekliganj	Patgram	Mekliganj	4.35
41.	Jamaldaha-Balapukhari	6	Patgram	Mekliganj	5.24
42.	Uponchowki kuchlibari	115/2	Patgram	Mekliganj	0.32
43.	Uponchowki kuchlibari	7	Patgram	Mekliganj	44.04
44.	Bhothari	11	Patgram	Mekliganj	36.83
45.	Balapukhari	5	Patgram	Mekliganj	55.91
46.	Bara Khangir	4	Patgram	Mekliganj	50.51
47.	Bara Khangir	9	Patgram	Mekliganj	87.42
48.	Chhat Bogdokra	10	Patgram	Mekliganj	41.7
49.	Ratanpur	11	Patgram	Mekliganj	58.91
50.	Bogdokra	12	Patgram	Mekliganj	25.49
51.	Fulker Dabri	Fragment of J.L. 107 of P.S Mekliganj	Patgram	Mekliganj	0.88
52.	Kharkharia	15	Patgram	Mekliganj	60.74
53.	Kharkharia	13	Patgram	Mekliganj	51.62
54.	Lotamari	14	Patgram	Mekliganj	110.92
55.	Bhotbari	16	Patgram	Mekliganj	205.46
56.	Komat Changrabandha	16A	Patgram	Mekliganj	42.8
57.	Komat Changrabandha	17A	Patgram	Mekliganj	16.01
58.	Panisala	17	Patgram	Mekliganj	137.66
59.	Dwarikamari Khasbash	18	Patgram	Mekliganj	36.5
60.	Panisala	153/P	Patgram	Mekliganj	0.27
61.	Panisala	153/O	Patgram	Mekliganj	18.01
62.	Panisala	19	Patgram	Mekliganj	64.63
63.	Panisala	21	Patgram	Mekliganj	51.4
64.	Lotamari	20	Patgram	Mekliganj	283.53
65.	Lotamari	22	Patgram	Mekliganj	98.85
66.	Dwarikamari	23	Patgram	Mekliganj	39.52
67.	Dwarikamari	25	Patgram	Mekliganj	45.73
68.	Chhat Bhothat	24	Patgram	Mekliganj	56.11
69.	Baakata	131	Patgram	Hathabhanga	22.35

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
70.	Baakata	132	Patgram	Hathabhanga	11.96
71.	Baakata	130	Patgram	Hathibhanga	20.48
72.	Bhogramguri	133	Patgram	Hathibhanga	1.44
73.	Chenakata	134	Patgram	Mekliganj	7.81
74.	Banskata	119	Patgram	Mathabanga	413.81
75.	Banskata	120	Patgram	Mathabanga	30.75
76.	Banskata	121	Patgram	Mathabanga	12.15
77.	Banskata	113	Patgram	Mathabanga	57.86
78.	Banskata	112	Patgram	Mathabanga	315.04
79.	Banskata	114	Patgram	Mathabanga	0.77
80.	Banskata	115	Patgram	Mathabanga	29.2
81.	Banskata	122	Patgram	Mathabanga	33.22
82.	Banskata	127	Patgram	Mathabanga	12.72
83.	Banskata	128	Patgram	Mathabanga	2.33
84.	Banskata	117	Patgram	Mathabanga	2.55
85.	Banskata	118	Patgram	Mathabanga	30.98
86.	Banskata	125	Patgram	Mathabanga	0.64
87.	Banskata	126	Patgram	Mathabanga	1.39
88.	Banskata	129	Patgram	Mathabanga	1.37
89.	Banskata	116	Patgram	Mathabanga	16.96
90.	Banskata	123	Patgram	Mathabanga	24.37
91.	Banskata	124	Patgram	Mathabanga	0.28
92.	Gotamari Chhit	135	Hatibandha	Sitalkuchi	126.59
93.	Gotamari Chhit	136	Hatibandha	Sitalkuchi	20.02
94.	Banapachai	151	Lalmonirhat	Dinhata	217.29
95.	Banapachai Bhitarkuthi	152	Lalmonirhat	Dinhata	81.71
96.	Dasiar Chhara	150	Fulbari	Dinhata	1643.44
97.	Dakurhat- Dakinirkuthi	156	Kurigram	Dinhata	14.27
98.	Kalamati	141	Bhurungamari	Dinhata	21.21
99.	Bhahobganj	153	Bhurungamari	Dinhata	31.58
100.	Baotikursa	142	Bhurungamari	Dinhata	45.63
101.	Bara Coachulka	143	Bhurungamari	Dinhata	39.99
102.	Gaochulka II	147	Bhurungamari	Dinhata	0.9
103.	Gaochulka I	146	Bhurungamari	Dinhata	8.92

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
104.	Dighaltari II	145	Bhurungamari	Dinhata	8.81
105.	Dighaltari I	144	Bhurungamari	Dinhata	12.31
106.	Chhoto Garaljhora II	149	Bhurungamari	Dinhata	17.85
107.	Chhoto Garaljhora I	148	Bhurungamari	Dinhata	35.74
108.	1 chhit *without name & JL No. at the southern and of JL No. 38 & southern and of JL No. 39 (locally known as Ashokabari**)		Patgram	Mathabhanga	3.5

Enclaves with Fragmented Chhits

109.	(i) Bewladanga	34	Haldibari	Boda	862.46
	(ii) Bewladanga	Fragment	Haldibari	Debiganj	
110.	(i) Kotbhajni	2	Haldibari	Debiganj	2012.27
	(ii) Kotbhajni	Fragment	Haldibari	Debiganj	
	(iii) Kotbhajni	Fragment	Haldibari	Debiganj	
	(iv) Kotbhajni	Fragment	Haldibari	Debiganj	
111.	(i) Dahala	Khagrabri	Haldibari	Debiganj	2650.35
	(ii) Dahala	Fragment	Haldibari	Debiganj	
	(iii) Dahala	Fragment	Haldibari	Debiganj	
	(iv) Dahala	Fragment	Haldibari	Debiganj	
	(v) Dahala	Fragment	Haldibari	Debiganj	
	(vi) Dahala	Fragment	Haldibari	Debiganj	
					17160.63

The above given details of enclaves have been jointly compared and reconciled with records held by India and Bangladesh during the Indo-Bangladesh Conference held at Calcutta during 9th — 12th October, 1996 as well as during joint field inspection at Jalpaiguri (West Bengal) Panchagarh (Bangladesh) sector during 21—24 November, 1996.

Note: Name of enclave in Sl. No. 108 above has been identified as Ashokabari by joint ground verification during field season 1996-97.

Brig. J.R. Peter
Director Land Records & Survey
(Ex-Officio) West Bengal, India &
Director, Eastern Circle
Survey of India, Calcutta.

Md. Shafi Uddin
Director General, Land Records
and Surveys, Bangladesh.

* Corrected vide 150th (54th) India-Bangladesh Boundary Conference held at Kolkata from 29th September to 2nd October, 2002.

** Corrected vide 152nd (56th) India-Bangladesh Boundary Conference held at Kochbihar, India from 18th—20th September, 2003.

B. EXCHANGEABLE BANGLADESH ENCLAVES IN INDIA WITH AREA

Sl. No.	Name of Chhits	Lying within Police station W. Bengal	Lying within Police station Bangladesh	J.L. No.	Area in acres
1	2	3	4	5	6
<i>A. Enclaves with independent chhits</i>					
1.	Chhit Kuchlibari	Mekliganj	Patgram	22	370.64
2.	Chhit Land of Kuchlibari	Mekliganj	Patgram	24	1.83
3.	Balapukhari	Mekliganj	Patgram	21	331.64
4.	Chhit Land of Panbari No.2	Mekliganj	Patgram	20	1.13
5.	Chhit Panbari	Mekliganj	Patgram	18	108.59
6.	Dhabalsati Mirgipur	Mekliganj	Patgram	15	173.88
7.	Bamandal	Mekliganj	Patgram	11	2.24
8.	Chhit Dhabalsati	Mekliganj	Patgram	14	66.58
9.	Dhabalsati	Mekliganj	Patgram	13	60.45
10.	Srirampur	Mekliganj	Patgram	8	1.05
11.	Jote Nijjama	Mekliganj	Patgram	3	87.54
12.	Chhit Land of Jagatber No.3	Mathabhanga	Patgram	37	69.84
13.	Chhit Land of Jagatber No.1	Mathabhanga	Patgram	35	30.66
14.	Chhit Land of Jagatber No.2	Mathabhanga	Patgram	36	27.09
15.	Chhit Kokoabari	Mathabhanga	Patgram	47	29.49
16.	Chhit Bhandardaha	Mathabhanga	Patgram	67	39.96
17.	Dhabalguri	Mathabhanga	Patgram	52	12.5
18.	Chhit Dhabalguri	Mathabhanga	Patgram	53	22.31
19.	Chhit Land of Dhabalguri No.3	Mathabhanga	Patgram	70	1.33
20.	Chhit Land of Dhabalguri No.4	Mathabhanga	Patgram	71	4.55
21.	Chhit Land of Dhabalguri No.5	Mathabhanga	Patgram	72	4.12
22.	Chhit Land of Dhabalguri No.1	Mathabhanga	Patgram	68	26.83
23.	Chhit Land of Dhabalguri No.2	Mathabhanga	Patgram	69	13.95
24.	Mahishmari	Sitalkuchi	Patgram	54	122.77
25.	Bura Saradubi	Sitalkuchi	Hatibadha	13	34.96
26.	Falnapur	Sitalkuchi	Patgram	64	505.56
27.	Amjhol	Sitalkuchi	Hatibandha	57	1.25
28.	Kismat Batrigachh	Dinhata	Kaliganj	82	209.95
29.	Durgapur	Dinhata	Kaliganj	83	20.96
30.	Bansua Khamar Gitaldaha	Dinhata	Lalmonirhat	1	24.54
31.	Poaturkuthi	Dinhata	Lalmonirhat	37	589.94
32.	Paschim Bakalir Chhara	Dinhata	Bhurungamari	38	151.98

Sl. No.	Name of Chhits	Lying within Police station W. Bengal	Lying within Police station Bangladesh	J.L. No.	Area in acres
1	2	3	4	5	6
33.	Madhya Bakalir Chhara	Dinhata	Bhurungamari	39	32.72
34.	Purba Bakalir Chhara	Dinhata	Bhurungamari	40	12.23
35.	Madhya Masaldanga	Dinhata	Bhurungamari	3	136.66
36.	Madhya Chhit Masaldanga	Dinhata	Bhurungamari	8	11.87
37.	Paschim Chhit Masaldanga	Dinhata	Bhurungamari	7	7.6
38.	Uttar Masaldanga	Dinhata	Bhurungamari	2	27.29
39.	Kachua	Dinhata	Bhurungamari	5	119.74
40.	Uttar Bansjani	Tufanganj	Bhurungamari	1	47.17
41.	Chhat Tilai	Tufanganj	Bhurungamari	17	81.56
<i>B. Enclaves with Fragmented Chhits</i>					
42.	(i) Nalgram	Sitalkuchi	Patgarm	65	1397.34
	(ii) Nalgram (Fragment)	Sitalkuchi	Patgarm	65	
	(iii) Nalgram (Fragment)	Sitalkuchi	Patgarm	65	
43.	(i) Chhit Nalgram	Sitalkuchi	Patgarm	66	49.5
	(ii) Chhit Nalgram (Fragment)	Sitalkuchi	Patgarm	66	
44.	(i) Batrigachh	Dinhata	Kaliganj	81	577.37
	(ii) Batrigachh (Fragment)	Dinhata	Kaliganj	81	
	(iii) Batrigachh (Fragment)	Dinhata	Phulbari	9	
45.	(i) Karala	Dinhata	Phulbari	9	269.91
	(ii) Karala (fragment)	Dinhata	Phulbari	9	
	(iii) Karala (fragment)	Dinhata	Phulbari	8	
46.	(i) Sipprasad Mustati	Dinhata	Phulbari	8	373.2
	(ii) Sipprasad Mustati (Fragment)	Dinhata	Phulbari	6	
47.	(i) Dakshin Masaldanga	Dinhata	Bhurungamari	6	571.38
	(ii) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(iii) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(iv) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(v) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(vi) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
48.	(i) Paschim Masaldanga	Dinhata	Bhurungamari	4	29.49
	(ii) Paschim Masaldanga (Fragment)	Dinhata	Bhurungamari	4	
49.	(i) Purba Chhit Masaldanga	Dinhata	Bhurungamari	10	35.01
	(ii) Purba Chhit Masaldanga (Fragment)	Dinhata	Bhurungamari	10	
50.	(i) Purba Masaldanga	Dinhata	Bhurungamari	11	153.89

Sl. No.	Name of Chhits	Lying within Police station W. Bengal	Lying within Police station Bangladesh	J.L. No.	Area in acres
1	2	3	4	5	6
	(ii) Purba Masaldanga (Fragment)	Dinhata	Bhurungamari	11	
51.	(i) Uttar Dhaldanga	Tufanganj	Bhurungamari	14	24.98
	(ii) Uttar Dhaldanga (Fragment)	Tufanganj	Bhurungamari	14	
	(iii) Uttar Dhaldanga (Fragment)	Tufanganj	Bhurungamari	14	
Total Area					7,110.02

The above given details of enclaves have been jointly compared and reconciled with records held by India and Bangladesh during the Indo-Bangladesh Conference held at Calcutta during 9th—12th October, 1996 as well as during joint field inspection at Jalpaiguri (West Bengal) – Panchagarh (Bangladesh) sector during 21—24 November, 1996.

Brig. J.R. Peter
Director Land Records & Survey
(*Ex Officio*) West Bengal, India &
Director, Eastern Circle
Survey of India, Calcutta.

Md. Shafi Uddin
Director General, Land Records
and Surveys, Bangladesh.

S. K. SANGMA,
Under Secretary to the Govt. of Meghalaya,
Law (B) Department.